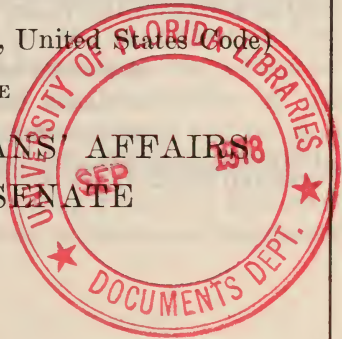


PLANS FOR THE IMPLEMENTATION
OF THE POST-VIETNAM ERA
VETERANS' EDUCATIONAL
ASSISTANCE ACT
OF 1977

AN ANNUAL JOINT REPORT
PREPARED BY THE
VETERANS' ADMINISTRATION
AND THE
DEPARTMENT OF DEFENSE

(Pursuant to Section 1642 of Title 38, United States Code)

SUBMITTED TO THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE



JULY 21, 1978

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TITLE 38—UNITED STATES CODE

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PART III—READJUSTMENT AND RELATED
BENEFITS

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CHAPTER 32—POST-VIETNAM ERA VETERANS'
EDUCATIONAL ASSISTANCE

* * * * *

Subchapter IV—Administration

* * * * *

§ 1642. Reporting requirements

The Administrator and the Secretary shall, within 90 days after the date of enactment of this chapter, submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a joint report containing their respective plans for implementation of the program provided for in this chapter. The Administrator and the Secretary shall submit to such committees a report each year detailing the operations of the program during the preceding year. The first such annual report shall be submitted 15 months after the date of enactment of this section.

* * * * *

LETTER OF TRANSMITTAL



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420



JUNE 27 1978

The Honorable
Alan Cranston
Chairman
Committee on Veterans' Affairs
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Title 38, United States Code, Section 1642 requires that a joint report from the Veterans Administration and the Department of Defense be submitted to your committee annually on the status of implementation of the Post-Vietnam Era Veterans' Educational Assistance Act of 1977. This first annual report is presented in three sections. Section one describes the administration of the chapter 32 program by the Veterans Administration. Section two discusses the implementation and operation within the Department of Defense. Section three contains detailed statistics on participation within the Department of Defense.

Sincerely,

JOHN P. WHITE
Assistant Secretary of Defense
(Manpower, Reserve Affairs & Logistics)

MAX CLELAND
Administrator

INTRODUCTION

The Post-Vietnam Era Veterans' Educational Assistance Act of 1977 enacted under Title IV of Public Law 94-502, established a contributory educational assistance program under chapter 32 of Title 38, United States Code. The purpose of chapter 32 is to provide educational assistance to those persons who initially enter the armed forces after December 31, 1976 and are not covered by the provisions of chapter 34, (Veterans' Educational Assistance) to assist them in obtaining an education they might otherwise be unable to afford and to attract qualified persons to serve in the armed forces. Eligibility for participation in the chapter 32 program is extended to active duty personnel in the U.S. Coast Guard, the U.S. Public Health Service, the National Oceanic and Atmospheric Administration and military personnel in the Department of Defense.

This report is in response to requirements specified in Title 38, United States Code, Section 1642, that a report be submitted annually to the Committees on Veterans' Affairs of the Senate and House of Representatives and that the first such annual report be submitted 15 months after the date of enactment of this section. Section one of the report describes the administration of the chapter 32 program by the Veterans Administration. Section two discusses the implementation and operation within the Department of Defense. Section three contains detailed statistics on participation, including information on patterns of enrollment (according to demographic, socioeconomic, and other characteristics) within the Department of Defense and its components.

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First Annual Report to Congress on the
Post-Vietnam Era Veterans' Educational
Assistance Program

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Section 1. Administration of the
Program - Veterans Administration

Policies and procedures, consistent with the provisions of Public Law 94-502, incorporated into Title 38, United States Code, under chapter 32, have been developed for administration of the Post-Vietman Era Veterans' Educational Assistance Program (VEAP). The Veterans Administration has made every effort to plan for and accommodate those applicants who have requested benefits or who are expected to apply for benefits in the future. This section of the report includes a comment on the status of regulations drafted to guide implementation of the program, a description of the banking system which maintains a record of funds contributed, and a summary of the procedures approved for administration of benefits. The last part of this section discusses the progress made and difficulties encountered since inception of the program.

1.1 Joint Veterans Administration/Department of Defense
Regulations

Chapter 32 of Title 38, United States Code contains several references to definitions, terms and conditions to be prescribed in regulations issued jointly by the Administrator of Veterans Affairs and the Secretary of Defense. In response to this requirement, regulations have been drafted and are pending concurrence by both the Veterans Administration and the

Department of Defense. Subsequent to this approval, the regulations will be published in the Federal Register and will be incorporated later into the Code of Federal Regulations.

Until such time as these regulations are promulgated, the Veterans Administration will continue to operate under the guidelines established by DVB Circular 20-77-25, issued in coordination with the Department of Defense. Since the joint implementation report of April 11, 1977, DVB Circular 20-77-25, Appendix A, Revised, has been published and is provided in Appendix A of this report. In addition, the Veterans Administration is developing, for internal use, more detailed instructions for processing chapter 32 benefits.

1.2 Maintenance of the Fund

Records of contributions from the participants, along with any contributions from the Department of Defense, are maintained by the Veterans Administration in a computerized system at the VA Data Processing Center in Austin, Texas known as the Chapter 32 Banking System. Several staff months and substantial overtime were expended in activating this system. The project also required close coordination among several Federal agencies. In December 1977, the Veterans Administration began processing computer tapes from the Army, Navy, Marine Corps, Air Force, Coast Guard and National Oceanic and Atmospheric Administration.

These initial submissions culminated several months of negotiations on data content, format and transfer. A memorandum of understanding which formalized the results of these negotiations has been signed by all parties concerned. A copy of this memorandum of understanding, entitled Interagency Agreement between the Veterans Administration and the Department of Defense, is provided in Appendix A of this report.

The banking system maintains the following information for each participant:

- basic identification data,
- an accounting of the dates and amounts of contributions made by the participant and the Department of Defense, if applicable, and
- an accounting of the dates and amount of refunds made from the system.

Now that the initial tapes from the Services have been processed by the Veterans Administration, the banking system is updated monthly. These monthly transactions include the transfer of contributions from the Services, the input of information concerning allotment changes and the processing of disenrollment refunds. VA Form 4-5281, Notice of Disenrollment and Application for Funds Deposited in Post-Vietnam Era Veterans' Educational Assistance Program, is used to apply for a disenrollment refund. Participants on active duty submit

completed forms to their installation finance office; veterans submit their completed forms to the nearest VA regional office. Subsequently, the applications are forwarded to the VA Data Processing Center, Hines, Illinois where pertinent data are transferred to magnetic tape. These refund transactions are transmitted to the VA Data Processing Center in Austin, Texas for input into the Chapter 32 Banking System, from which refund tapes are sent to the Department of Treasury Disbursing Center for the issuance of refund checks. A record of the amounts refunded is returned to the VA Data Processing Center, Hines, Illinois for accounting purposes.

Data obtained from the banking system were used to determine the participation rate and amounts of contributions during the first year of the program ending December 31, 1977 and are presented below. These data are based upon actual transactions received by the Veterans Administration from the individual Services. Total participants means all persons who have ever participated in the program since its inception. Active participants means those persons who were having, as of December 31, 1977, amounts deducted from their pay monthly. Total gross contributions means the total amount of contributions that have been paid into the system since inception of the program.

Chapter 32 Participants/Contributions
(January 1, 1977 through December 31, 1977)

	<u>TOTAL PARTICIPANTS</u>	<u>ACTIVE PARTICIPANTS</u>	<u>TOTAL GROSS CONTRIBUTIONS</u>
Army	26,091	25,635	\$ 7,202,465
Navy	13,571	13,353	3,704,140
Marine Corps	2,438	2,438	676,030
Air Force	507	502	103,810
Coast Guard	256	256	67,035
PHS*	69	69	20,670
NOAA**	2	2	475
TOTAL	42,934	42,255	\$11,774,625

* Public Health Service

** National Oceanic and Atmospheric Administration

NOTE: The data presented here are taken from the VA banking system computations. The data differ from calculations used elsewhere in this report because figures supplied by the Services eliminated duplicate records on persons who have disenrolled and re-enrolled during the year. The VA banking system counted these as two initial enrollments. It should also be noted that the above chart includes participants from the Coast Guard, Public Health Service and the National Oceanic Atmospheric Administration. Section 3 figures do not include these with the Service participation figures.

1.3 Administration of Benefits

The Veterans Administration has the sole responsibility for the administration of educational assistance benefits under chapter 32, Title 38, United States Code and has dedicated a considerable amount of staff time toward the development of systems and procedures for processing applications as they are received.

Applications for benefits under this program are processed by the VA regional office having jurisdiction over the area where the training is given, except for correspondence training, in which case it may be processed by the regional office having jurisdiction over the area where the veteran is living.

A new form, VA Form 22-8821, Application for Educational Assistance (For Post-Vietnam Era Veterans under Chapter 32, Title 38, U.S.C.) has been developed and is pending publication. This form is to be used for all chapter 32 educational assistance programs except the Predischarge Education Program (PREP) for which a separate application form is being developed. To the extent possible, existing forms, with modifications as necessary, will be used in administering chapter 32 benefits.

Processing of chapter 32 payments will require extensive program modifications to the current computer system that processes benefits under chapters 34 and 35. Until this is accomplished, awards, disallowances and other transactions under chapter 32 will be processed manually. A payment processing unit has been established at the VA Data Processing Center,

Hines, Illinois. It will receive Educational Assistance Award forms (VAF 22-1997) after completion by the VA regional office. The unit will then perform those functions that are normally carried out by the automated system that processes benefits under chapters 34 and 35.

The Veterans Administration has developed formulas and tables based on the formula contained in Title 38, United States Code, Sections 1622(b) and 1631(a)(2). These formulas and tables, which are utilized to compute monthly rates and benefit payment amounts, are necessary to assure that the VA-to-participant contribution ratio of 2 to 1 is maintained.

As of December 31, 1977 there were no beneficiaries receiving payments from the chapter 32 program. However, recently there have been some applicants, who, due to early discharges, have been declared eligible. Their claims have been processed for payment of benefits under the program.

There is no confirmed date for completion of the modification of the current education computer system to accept chapter 32 awards or related transactions. This is due to the fact that several higher priority computer projects require immediate programming attention. It is estimated that the modification of the current system will be accomplished within the next two years. The next annual report will provide a firmer estimate of the actual activation date.

Eventually chapter 32 transactions will be processed under the VA's Target System, an advanced computer system that will expedite claims processing through the use of video display terminals. This system, which is designated to process all types of VA claims, is presently in the initial installation phase. Chapter 32 award processing will not be programmed into the Target System until some time in the future because current operating systems with a large volume of actions have taken precedence over this project. Again as stated above, the next annual report will provide more definitive dates.

1.4 Progress to Date

It is estimated that there will be no significant number of chapter 32 applications for benefits until 1980. This is due to the fact that most participants who entered the Services after December 31, 1976, and who began authorizing payroll deductions at the beginning of the chapter 32 program in 1977, will not complete their first enlistment (usually three years) until that time. In the interim, the Veterans Administration will be responding to requests for information on the status of chapter 32 accounts in the banking system, and is in the testing phase of adding this capability to the existing Beneficiary Identification and Record Locator System (BIRLS). Considering the small number of applications for benefits expected within the next two years, the Veterans Administration has developed adequate procedures for processing claims. Furthermore, it is expected that the current computer system

will have been fully modified and capable of processing chapter 32 transactions by the time large numbers of claims are received.

The first joint report submitted by the Veterans Administration and the Department of Defense stated that the Veterans Administration would evaluate the chapter 32 program by studying the characteristics of 1) all participants in the payroll deduction program, 2) trainees receiving chapter 32 benefits and 3) participants who contributed through payroll deductions but did not receive training under chapter 32. There were no eligible chapter 32 trainees during the first year of the program and an analysis of participants not electing to draw benefits for training was scheduled for several years in the future. Therefore, for this report, only an analysis of the participants in the payroll deduction program would have been possible by the Veterans Administration. An adequate system has been established for the retrieval of this data. However, due to a variety of problems, records transferred by the seven Services did not include all of the socioeconomic and demographic data necessary to complete an analysis. The Veterans Administration and the Services are working closely to resolve these problems, and it is anticipated that the data required for analysis will be available soon.

During a review of the Regulations submitted by the Service Departments, the Veterans Administration Office of the General Counsel noted a number of inconsistencies with the existing

law. These were discussed with a representative of the Department of defense who agreed to make the appropriate changes as soon as possible.

1.5 Evaluation of the Program

While the number of chapter 32 participants slightly exceeded prior expectations, the Veterans Administration believes that it is still too soon to accurately assess the popularity or viability of the chapter 32 program. However, a great deal of effort has been expended by the staff to develop and establish appropriate systems in order to both maintain contributed funds and process claims for benefits in a timely manner. The Veterans Administration is well prepared to meet the needs of all claimants within the provisions of law.

Section 2. Program Implementation and Operation -
Department of Defense

For the four Department of Defense components, the implementation of the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) is essentially complete. Some problems concerning the transfer of funds and information from the services to the Veterans Administration remain unresolved; however, most other aspects of the program are operational.

There is considerable Service variation both in the interest shown by eligible recruits, and in the nature of problems encountered in implementing the program. Because of these differences, each Service component was asked to prepare a statement for this report, summarizing its observations on the first year of VEAP operation. The Services were requested to include the following information:

- Description of outreach activities (both those directed to recruiting prospects and those directed to eligible servicemembers);
- Description of enrollment procedures;
- Review of major problems encountered during the year and a discussion of how they were solved (for unsolved problems, a description of the implications for future operation of the program);
- Discussion of plans for Department of Defense "bonus" contributions.

This section presents a summary of this information.

2.1 Outreach

Recruiting Programs

Each of the four Services has some form of information program for potential recruits, but there is considerable variation in the manner and extent of VEAP exposure presented in their promotional materials. This variation is attributable to the differing recruiting needs of the Services and reflects the general differences in Service advertising scope and methods.

For the past several years, educational benefits have been identified as effective enlistment motivators for persons entering the Army. Army recruiting and advertising materials incorporate frequent references to the educational opportunities available through military service. Soon after P.L. 94-502 was enacted, the Army developed advertising materials which featured the new program. The Army has conducted an aggressive promotional campaign--advertising VEAP in newspapers, magazines, professional journals, and radio.

The Navy has also given VEAP exposure in its recruiting campaign. Literature mailed to prospective recruits, standard poster displays, a chart explaining benefits, and other materials are all used to advertise VEAP and create awareness of the new

Service benefit. However, Navy promotional efforts have been confined primarily to its own publications. Information on VEAP has been featured in Navy recruiting literature such as Navy Challenge, Mind Growing Experience, and the Navy Career Guide.

The Marine Corps and the Air Force have concentrated mainly on in-Service outreach efforts. Though recruiters from both of these Services counsel prospective recruits on VEAP benefits, the program is not featured in their advertising campaigns.

In-Service Programs

The Marine Corps counsels all eligible enlisted accessions on VEAP at its two recruit depots, and newly commissioned officers at the Marine Corps Development and Education Command in Quantico, Virginia. Additionally, Marine Corps education officers are required to identify and counsel all non-enrollees when they report to their first duty station. The Marine Corps Educational Opportunities booklet, which receives wide distribution, includes a description of the chapter 32 program.

The Air Force briefs all enlistees on VEAP during the 12th and 18th days of their Basic Military Training, and briefs all officers at their points of accession. Briefings are also given at all Air Force technical training centers. In addition, the Air Force has developed a special program to ensure that all enlisted members serving four-year enlistments are counseled on VEAP benefits in their 12th month of service. Since full VEAP

benefits can be accrued in three years, the 12th month counseling program reminds eligible servicemembers about the program at a time when they are earning more and can still derive maximum benefits from participation.

The Army and Navy also have in-Service VEAP information and counseling programs. All Army enlistees are briefed on VEAP at the Army Reception Centers. Recently, a special videotape presentation was developed for this purpose to ensure that all eligible enlistees receive a uniform, enthusiastic and professional presentation on VEAP opportunities. The Army further requires that soldiers be counseled during in-processing at their first duty station and annually thereafter during their initial tour of duty.

The Navy provides information and counseling on VEAP at the Recruit Training Commands. In addition, VEAP has been incorporated into the Navy Retention Team program to ensure that eligible servicemembers periodically receive VEAP counseling. The Navy also promotes VEAP in a wide range of internal publications such as Navy Campus magazine, Careergram, Flag Officer's Newsletter, CHINFO (Chief of Naval Information) newsgrams, and All Hands magazine. VEAP information has been presented in radio and film spots distributed to all ships and stations.

2.2 Enrollment Procedures

Service entrants are briefed on VEAP provisions and requirements at Armed Forces Examining and Entrance Stations (AFEES) prior to entering active duty. At that time recruits must read and sign Part I of the VEAP statement of understanding (DD Form 2057) certifying that they received the VEAP briefing. During reception station processing or at the first duty station, each recruit is again briefed on the program and given an opportunity to enroll. The recruit records his/her decision on Part II of DD Form 2057 and signs the form. Servicemembers who elect to participate complete an allotment form which authorizes automatic payroll deductions.

The detailed administrative procedures of the enrollment process for the individual Services appear in Appendix B.

2.3 Significant Problems

Many of the problems encountered during the implementation of chapter 32 were the typical "start-up" difficulties that can be associated with the establishment of any major program. Problems centered around the inclusion of the VEAP allotment in the existing finance and accounting systems, and the development of automated procedures for transferring VEAP funds to the Veterans Administration.

The Army initially encountered some difficulties in setting up its VEAP allotment program. The Army's automated finance

system could accommodate only 35 VEAP allotment payments during a three-year enlistment. Therefore, a temporary system was instituted to collect the 36th payment manually from the servicemember's separation voucher. An automated separation voucher system is being designed and will be installed in late FY 1978.

The Air Force experienced some problems in developing procedures for implementing VEAP and merging VEAP data with their automated finance and accounting system. But their difficulties were related more to a lack of time than to any deficiencies inherent in the design of the program. Once their procedures were developed, the Air Force encountered no major problems.

The Navy and Marine Corps reported no major problems in implementing the program. There was some initial confusion over VEAP provisions at the field operations level in the Navy, but this problem has been resolved.

2.4 Department of Defense Contributions to the Fund

Chapter 32 of Title 38, United States Code, Section 1622(c) authorizes the Secretary of Defense to contribute to the deposit fund accounts of program participants:

The Secretary is authorized to contribute to the fund of any participant such contributions as the Secretary deems necessary or appropriate to encourage persons to enter or remain in the Armed Forces. The Secretary is authorized to

issue such rules and regulations as the Secretary deems necessary or appropriate to implement the provisions of this subsection.

The Senate Committee on Veterans' Affairs states in its report to accompany S.969 (September 16, 1976) that "the Committee expects that the Secretary will utilize this authorization as 'a management tool to attract selected individuals' and as an inducement to high quality personnel whom the Secretary wishes to retain" (p. 105). "In this regard," the Committee further states, "the conclusion of the Defense Manpower Commission that G.I. Bill type educational benefits should be utilized as a 'recruiting management program with benefits granted only on a selective basis to help meet critical skill needs' has guided the Committee in its determination of the need for this provision" (Ibid.).

The Secretary of Defense currently has the authority (Public Law 93-277) to offer differential compensation in the form of bonuses to personnel possessing skills or qualifications for which there is a critical need. Enlistment bonuses, payable at completion of training, are used to attract volunteers who are considered trainable for skills in short supply. In addition, selective re-enlistment bonuses are used to stimulate the retention of enlisted personnel in shortage-category military occupational specialties.

Since the objectives of Title 38, United States Code, Section 1662(c) are similar to the objectives of current enlistment and reenlistment bonus programs (as well as enlistment and reenlistment incentive programs in general), the potential use of the VEAP provision must be evaluated within the context of existing incentive payments. The Services have been studying the potential use of the educational "bonus" (i.e., Department of Defense contributions to VEAP accounts) as a recruiting management device.

The Army has developed a "test plan" for implementation of the educational "bonus" provision. The cost for the test is estimated at \$11 million. The Army test is expected to provide empirical data on the cost-effectiveness of the DoD contribution as an enlistment incentive. It will be conducted during FY 1979, with recruiting promotional support and advertising in the public media. The test will measure the overall effect of the DoD contribution (alone and in conjunction with the enlistment bonus) on the quantity and quality of enlistments in hard-to-fill skills. The data and findings from this test will be shared with the other Services.

The Army is also planning to conduct a study of enlistment incentives. A survey will be used to compare the relative attractiveness of DoD VEAP contributions and other enlistment incentives.

The Navy has been considering the potential use of the DoD contribution. The Navy is concerned that a DoD contribution could discourage reenlistments. The Navy believes that several years of VEAP experience may be necessary before valid analyses can be conducted on the value of DoD VEAP contributions.

The Marine Corps and the Air Force have not developed any formal plans for payment of DoD contributions. However, both Services suggest consideration of modifications to the present format. The Marine Corps speculates that DoD contributions may enhance VEAP participation if they are applied to the enrollee's own required contribution--thus reducing the apparent financial burden placed upon the individual participant. The Air Force proposed that a DoD "bonus" be given to all individuals who have participated for the maximum 36 months, and that the servicemember's contribution be reduced.

The Department of Defense will evaluate the results of the Army test and attitude survey before making a decision on DoD contributions.

Section 3. Study of Participation

3.1 Summary of Results

The study of participation in the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) was prepared in response to requirements specified in Title 38, United States Code, Section 1642. Although eligibility for participation in VEAP extends to personnel in the U.S. Coast Guard, the U.S. Public Health Service, and the National Oceanic and Atmospheric Administration, this study covers only the Department of Defense.

Detailed statistics on VEAP participation are presented in two forms: (1) comparisons of enlisted VEAP participants and eligible enlisted accessions by selected demographic characteristics, and (2) frequency distributions for selected variables by Service and total Department of Defense. In addition, cross-tabulations which focus on level of contributions are presented.

Results show the following:

- The total number of participants through December 1977 was 40,489. The number of active participants (i.e., total enrollees less disenrollees) was estimated at 36,455. Army and Navy enrollments accounted for over 92 percent of all VEAP enrollments during CY 1977.

- VEAP participants are almost exclusively enlisted personnel. The total number of officers enrolled in VEAP as of December 31, 1977 was 177, or less than one-half of one percent of all VEAP participants.
- 15.2 percent of all eligible enlisted accessions enrolled in VEAP during CY 1977.
- Overall participation cannot be described as either "high" or "low"--since there is no acceptable basis for comparison and no experience with a similar program.
- The VEAP cumulative participation rate has increased with each successive month. For example, the participation rate during the last six months of CY 1977 was close to 20 percent. In view of the slow start of the program, patterns of enrollment during the later months are more indicative of future enrollment trends. With the added likelihood that eligible non-enrollees will decide to enroll later in their careers, participation rates are expected to increase.
- Participation rates for enlisted personnel in FY 1977 were:
 - Army - 20.4 percent
 - Navy - 19.9 percent
 - Marine Corps - 7.9 percent
 - Air Force - 1.0 percent

The reasons for differences in participation between the Services are not clear.

- For all Services except the Air Force, participation by female enlistees is disproportionately low. However, the DoD rate of participation by female enlisted personnel is increasing.
- Participation results demonstrate minority group interest in VEAP opportunities. Minority race/ethnic groups are consistently overrepresented among VEAP participants.
- The data show that enlisted VEAP participants are similar to eligible enlisted accessions in educational attainment. However, there are slightly fewer VEAP participants at combined educational levels of high school graduate and above.

- Eligible enlistees from the above-average mental categories are slightly underrepresented among VEAP participants. However, this appears to be changing.
- Generally, VEAP participants are younger than eligibles. The mean age of participants is lower than the mean age of eligibles in each of the Services.
- The percentage of enlisted VEAP participants who are married is approximately one-third of the percentage of married eligibles. The likelihood of VEAP participation also diminishes as the number of dependents increases.
- Eligibles from middle to upper income areas are slightly overrepresented. Participation rates steadily increase as median family income levels increase.
- There is some evidence that VEAP currently favors participation by those who have a higher "capacity to contribute." In a study of VEAP contributions, for example, individuals who are assumed to have less disposable income are found to participate at lower contributory levels.
- Over 60 percent of all participants select the \$50 minimum contributory level; over 28 percent select the \$75 maximum level. The mean monthly contribution is \$58.33.

3.2 Data Sources and Definitions

Data Sources

Information identifying and describing VEAP participants was obtained from the finance/accounting centers of the Services. Specific data files used in the study are identified at the bottom of each table.

Demographic data on VEAP participants and eligibles were obtained from the DoD Master and Loss file and the U.S. Army Recruiting Command (USAREC) First Examination and Accession file.

Information on the socioeconomic status of VEAP participants and eligibles was derived from the 1970 U.S. Census of Population "fifth count" data file.

Definitions

Eligible servicemembers are those individuals who entered active duty on or after January 1, 1977 and did not sign a Delayed Entry Program (DEP) agreement prior to that date. (Under the DEP, individuals contracted to enter the Services, were enlisted in a Reserve unit, and were required thereafter to enter active duty*. Individuals who entered active duty through a CY 1976 DEP agreement and who successfully completed more than 180 days of active duty are eligible for "G.I. Bill" educational benefits.) During FY 1977, over 367,000 enlisted servicemembers (non-prior service) entered active duty. Approximately 102,000 enlisted entrants were ineligible for VEAP benefits. The remaining total of approximately 265,000 enlisted servicemembers are defined as "eligible." The following is a complete breakout of non-prior service (NPS) enlisted accessions according to VEAP eligibility status:

*cf. 38 USC 1652(a)(1)(B)

CY 1977 NPS Enlisted Accessions Eligible for VEAP

Direct Active Duty	62,717
Entered DEP in 1977	202,750
<u>Total Eligibles</u>	<u>265,467*</u>

CY 1977 NPS Enlisted Accessions Ineligible for VEAP

Entered DEP in 1976	92,823
Ineligible Reservists	9,525
<u>Total Non-Eligibles</u>	<u>102,348</u>
TOTAL ACCESSIONS	367,815*

*(Note: The number of total enlisted VEAP eligibles used in this study is 264,912. Department of Defense (Office of the Secretary of Defense) Report 1391, "Monthly Report of Personnel Statistics," records 367,892 total accessions. Slight differences in the number of VEAP eligibles and total accessions are attributable to variations in personnel data files.)

The precise number of "eligible" officers was not available at the time of the study. However, most officers who entered active duty during CY 1977 were in Reserve officer training programs and therefore not eligible for VEAP benefits.

VEAP Participants, for the purpose of this study, include all persons who ever enrolled in VEAP during CY 1977. VEAP participants therefore include persons known to have separated from the Service or disenrolled from the program. (Duplicate records on persons who have disenrolled and then re-enrolled during CY 1977 are not included.)

3.3 Comparison of Enlisted Program Participants and Eligible Enlisted Accessions

In order to study patterns of VEAP participation within the Department of Defense and the separate Services, comparisons were made between the population of enlisted eligibles and VEAP enrollees. Officers were not included in the present analysis for two reasons: complete data on officer eligibles was not available at the time of the study, and the total number of officers enrolled in VEAP was 177, or less than one-half of one percent of all VEAP participants. "VEAP participants," for the purposes of this study, therefore include enlisted servicemembers only.

VEAP enlisted participants were compared with eligible enlisted accessions according to month of entry, sex, race/ethnic group, age-at-entry, educational attainment, mental category, marital and dependent status, and median family income in home of record. Tables 3.1 through 3.40 present the results of these data analyses.

Data Interpretation

Tables 3.1 through 3.40 present the numbers and percentages of eligibles and participants. Participation rates and indices also depict the statistical relationship between the two groups. The "VEAP Participation Rate" is simply the ratio of participants to eligibles in each category. The

"VEAP Participation Index" is also a ratio, used here to measure and depict intra-group relationships. The participation index is derived from the ratio of "actual" and "expected" numbers of participants, according to the following formula:

$$\text{Participation Index} = \left[\frac{\text{Actual Percent}}{\text{Expected Percent}} \right] \times 100 - 100 =$$

Percentage over or underrepresented.

Where "actual percent" is equal to the percentage of participants and "expected percent" is equal to the percentage of eligibles in each category.

By dividing the "actual percent" by the "expected percent," a ratio is obtained which expresses the extent to which the percentage of participants is greater or less than the percentage of eligibles. Multiplication by 100 merely converts the ratio to a whole-number percentage. Subtraction of 100 creates a baseline index of 0 for comparison--i.e., a zero calculation results when the actual percent and expected percent are equal. In this case, there is "no difference" between participant and eligible groups. If the actual percent is greater than the expected percent, the result is a positive index. If the actual percent is less than the expected percent, the result is a negative index. For example, if the index is +20, then the number (or percent) of participants is 20 percent greater than the number (or percent) which would be expected under "normal" (i.e., where the participant and eligible populations are alike in all respects) conditions. If the index is -20, then

the number (or percent) of participants is 20 percent less than the expected number (or percent).

Several tables show "unknown" cases of participants, and these "unknown" cases should be taken into consideration when making comparisons or evaluating indices. In most cases, the percentage of unknown participants is reasonably small. Nevertheless, if these individuals were distributed among known groups of participants, each participation rate would be the same or slightly higher; participation indices would likewise remain constant or increase in a positive direction.

Comparisons by Month of Entry

Tables 3.1 through 3.5 present monthly participation rates for DoD and the separate Services. Year-end participation rates cannot be described as either "high" or "low," since there is no acceptable basis for comparison and no experience with a similar program. The only possible criteria are the participation rates originally used in computing program costs. In 1976, the Congressional Budget Office, the Veterans Administration, and the Department of Defense prepared program cost estimates derived from projected participation rates. However, since the original projections of participation rates were highly speculative and not based on actual experience, they do not provide a meaningful standard for comparison.

In March, 1978, with one year of program experience, the Services estimated the following participation rates:

	Participation Rate (Percent of Eligibles)	
	FY 1978	FY 1979
Army	20	20
Navy	20	20
Marine Corps	10	15
Air Force	1	1

The data presented here (along with several assumptions concerning the enrollment behavior of second and third year enlistees) indicate that current Service estimates of projected participation are low.

Participation during CY 1977 for all Services exceeded 40,000 enlisted enrollees, or 15.2 percent of all eligible enlisted accessions. However, it is apparent from the data presented in Table 3.1 that the VEAP cumulative participation rate has been increasing with each successive month. The overall participation rate is also misleading, because of the great divergence between participation rates in the early and later months of the year. In fact, the participation rate during the last five months of CY 1977 was over 21 percent. In view of the apparently slow start of the program, patterns of enrollment during the later months are probably more indicative of future enrollment trends. Applying trend-line analysis to these data (which must be considered relatively scant), a projected participation rate of over 28 percent is found for the year ending December 1978.

Even if participation remains stable at around 15 percent of eligible enlisted accessions each year, overall participation rates may be expected to increase as enlistees in their second and third years of service decide to enroll in VEAP. It is assumed that many eligible nonenrollees will decide to enroll as their salaries increase and their educational plans become more clearly defined. For example, in the Army's August 1977 quarterly Survey of Military Personnel, approximately 28 percent of eligible enlisted respondents who did not plan to enroll in VEAP said they could not afford the expense. Yet, over half of the eligible non-participants surveyed indicated that they would participate at some time in the future.

Participation rates for the separate Services also show continuing increases. With the exception of July, Army participation increased in every successive month (see Table 3.2). Navy data show the most dramatic changes in participation over the year (Table 3.3). The Navy participation rate during the first six months of 1977 was 5.9 percent; yet, during the last six months, Navy enlisted VEAP participants accounted for close to 30 percent of eligible enlistees. Marine Corps (Table 3.4) and Air Force (Table 3.5) enrollments likewise have consistently increased (with the exception of August) as a percentage of eligibles.

Army and Navy enrollments in VEAP account for over 92 percent of all enrollments during CY 1977. No explanation for

the relative differences between the Services (especially the Air Force) can be found in recent or past survey data on the interest expressed in educational benefits by members of the separate Services. No Service-wide attitude survey of VEAP eligibles has been conducted as yet, though questions on VEAP will be added to the next AFEES survey (an annual survey of military accessions administered at selected Armed Forces Examining and Entrance Stations). The next AFEES survey will be administered this summer or early fall, with results available in 1979.

Although there is still no explanation for differing patterns of enrollment, some observations have been made concerning possible reasons for non-participation. For example, all Services unanimously agree that one feature of the program, more than any other, keeps eligible servicemembers from enrolling: the minimum required monthly contribution of \$50. A lower minimum monthly contribution, Army analysts observe, would allow many servicemembers who cannot afford the current \$50 minimum to enroll in the program and perhaps accumulate enough savings to cover the costs of an associate degree program. On the other hand, raising the \$75 upper limit for monthly contributions would give persons who postpone enrollment in VEAP the opportunity to still earn the maximum benefit.

Air Force administrators have noted that VEAP restrictions on in-Service use may also deter some individuals from enrolling

in the program. VEAP educational assistance cannot be received until the participant has completed his/her initial term of service. The military tuition program, on the other hand, allows servicemembers to enroll in college level courses during the initial term of service and requires that the individual pay up to 25 percent of tuition costs (plus books and other fees). Many new servicemembers probably cannot afford to pay for both their share of the tuition costs and VEAP. Consequently, the decision to use tuition assistance (i.e., attend school while in Service) competes with participation in VEAP; and educationally-motivated servicemembers are forced to choose between VEAP and current in-Service education programs.

The Navy cites two other factors which may contribute to a lack of interest in VEAP: (1) some servicemembers feel that they will get an education in and from the Service anyway, and (2) a majority of the recruits are fresh out of high school, and additional education may not be a major factor in their early career decisions.

Table 3.1 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Month of Entry^a

(January-December 1977)

All Services

Month of Entry	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)	VEAP Cumulative Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b			
January	13233	5.0	6	0.0	--	0.0	0.0
February	17655	6.7	769	1.9	-71.6	4.4	2.5
March	21028	7.9	2047	5.1	-35.4	9.7	5.4
April	19250	7.3	2448	6.1	-16.4	12.7	7.4
May	20079	7.6	2922	7.2	-5.3	14.6	9.0
June	24176	9.1	3040	7.5	-17.6	12.6	9.7
July	27949	10.5	3180	7.9	-24.8	11.4	10.0
August	29564	11.2	6048	15.0	+33.9	20.4	11.8
September	30176	11.4	5104	12.7	+11.4	16.9	12.6
October	23468	8.9	6164	15.3	+71.9	26.3	14.0
November	20675	7.8	5132	12.7	+62.8	24.8	14.9
December	17659	6.7	3452	8.6	+28.4	19.5	15.2
Unknown	0	0.0	0	0.0	--	--	--
TOTAL	264912	100	40312	100	--	15.2	15.2

^a For comparison purposes, month of entry for participants equals date of first VEAP contribution. Note, however, that first contribution may not occur in Month of Entry.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.2 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Month of Entry^a

(January-December 1977)

Service: Army

Month of Entry	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^c	VEAP Participation Rate (Percent)	VEAP Cumulative Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b			
January	6166	5.1	6	0.0	--	0.1	0.1
February	8609	7.2	741	3.0	-58.3	8.6	5.1
March	9992	8.3	1935	7.9	-4.8	19.4	10.8
April	9437	7.9	2198	9.0	+13.9	23.3	14.3
May	10410	8.7	2079	8.5	-2.3	20.0	15.6
June	11696	9.8	1922	7.8	-20.4	16.4	15.8
July	13311	11.1	1300	5.3	-52.2	9.8	14.6
August	12596	10.5	3844	15.7	+49.5	30.5	17.1
September	13853	11.6	2795	11.4	-1.7	20.2	17.5
October	9381	7.8	3701	15.1	+93.6	39.5	19.5
November	9042	7.5	2653	10.8	+44.0	29.3	20.2
December	5396	4.5	1335	5.4	+20.0	24.7	20.4
Unknown	0	0.0	0	0.0	--	--	--
TOTAL	119889	100	24509	100	--	20.4	20.4

^a For comparison purposes, month of entry for participants equals date of first VEAP contribution. Note, however, that first contribution may not occur in month of entry.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.3 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Month of Entry^a

(January-December 1977)

Service: Navy

Month of Entry	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)	VEAP Cumulative Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b			
January	3904	6.1	0	0.0	--	--	0.0
February	4172	6.5	28	0.2	-96.9	0.8	0.3
March	4551	7.1	55	0.4	-94.4	1.2	0.6
April	3951	6.2	97	0.8	-87.1	2.4	1.1
May	3883	6.1	672	5.3	-13.1	17.3	4.2
June	5695	8.9	661	5.2	-41.6	11.6	5.9
July	7142	11.1	1381	10.8	-2.7	19.3	8.7
August	8221	12.8	1958	15.4	+20.3	23.8	11.7
September	7965	12.4	1961	15.4	+24.2	24.6	13.8
October	5782	9.0	2096	16.4	+82.2	36.2	16.1
November	4756	7.4	2081	16.3	+120.3	43.8	18.3
December	4055	6.3	1763	13.8	+119.0	43.5	19.9
Unknown	0	0.0	0	0.0	--	--	--
TOTAL	64077	100	12753	100	--	19.9	19.9

^a For comparison purposes, month of entry for participants equals date of first VEAP contribution. Note, however, that first contribution may not occur in month of entry.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.4 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Month of Entry^a

(January-December 1977)

Service: Marine Corps

Month of Entry	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index	VEAP Participation Rate (Percent)	VEAP Cumulative Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b			
January	2076	6.4	0	0.0	--	--	0.0
February	2323	7.2	0	0.0	--	--	0.0
March	2579	8.0	57	2.2	-72.5	2.2	0.8
April	1965	6.1	148	5.8	-4.9	7.5	2.3
May	2049	6.3	165	6.4	+1.6	8.0	3.4
June	2645	8.2	430	16.7	+103.6	16.2	5.9
July	3396	10.5	454	17.7	+68.6	13.4	7.4
August	3912	12.1	207	8.1	-33.0	5.3	7.0
September	3593	11.1	293	11.4	+2.7	8.2	7.1
October	3274	10.1	267	10.4	+2.9	8.2	7.3
November	2200	6.8	300	11.7	+72.0	13.6	7.7
December	2398	7.4	247	9.6	+29.7	10.3	7.9
Unknown	0	0.0	0	0.0	--	--	--
TOTAL	32410	100	2568	100	--	7.9	7.9

^a For comparison purposes, month of entry for participants equals date of first VEAP contribution. Note, however, that first contribution may not occur in Month of Entry.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.5 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Month of Entry^a

(January-December 1977)

Service: Air Force

Month of Entry	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)	VEAP Cumulative Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b			
January	1087	2.2	0	0.0	--	--	0.0
February	2551	5.3	0	0.0	--	--	0.0
March	3906	8.0	0	0.0	--	--	0.0
April	3897	8.0	5	1.0	-87.5	0.1	0.0
May	3737	7.7	6	1.2	-84.4	0.2	0.1
June	4140	8.5	27	5.6	-34.1	0.6	0.2
July	4100	8.4	45	9.3	+10.7	1.1	0.4
August	4835	10.0	39	8.1	-19.0	0.8	0.4
September	4765	9.8	55	11.4	+16.3	1.2	0.5
October	5031	10.4	100	20.7	+99.0	2.0	0.7
November	4677	9.6	98	20.3	+111.4	2.1	0.9
December	5810	12.0	107	22.2	+85.0	1.8	1.0
Unknown	0	0.0	0	0.0	--	--	--
TOTAL	48536	100	482	100	--	1.0	1.0

^a For comparison purposes, month of entry for participants equals date of first VEAP contribution. Note, however, that first contribution may not occur in month of entry.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparisons by Sex

Comparisons of enlisted VEAP participants and eligible enlisted accessions according to sex are presented in Tables 3.6 through 3.10. For all Services except the Air Force, participation among females is disproportionately low. For DoD as a whole (Table 3.6) the participation rate for females was 10.7 percent, compared to 15.4 percent for males. However, the total rate of participation by female enlisted personnel is increasing.

Table 3.6 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Sex

(January-December 1977)

All Services

Sex	Eligibles		Participants		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Male	244442	92.3	37710	93.5	+ 1.3	15.4
Female	20453	7.7	2195	5.4	-29.9	10.7
Unknown	17	0.0	407	1.0	--	--
TOTAL	264912	100	40312	100	--	15.2

^aPercentages may not add due to rounding.

^bSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.7 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Sex

(January-December 1977)

Service: Army

Sex	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Male	111144	92.7	22802	93.0	+0.3	20.5
Female	8737	7.3	1442	5.9	-19.2	16.5
Unknown	8	0.0	265	1.1	--	--
TOTAL	119889	100	24509	100	--	20.4

^a Percentages may not add due to rounding

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.8 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Sex
(January-December 1977)

Service: Navy

Sex	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Male	60255	94.0	11996	94.1	+0.1	19.9
Female	3816	6.0	626	4.9	-18.3	16.4
Unknown	6	0.0	131	1.0	--	--
TOTAL	64077	100	12753	100	--	19.9

^a Percentages may not add due to rounding

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.9 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Sex

(January-December 1977)

Service: Marine Corps

Sex	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Male	31188	96.2	2496	97.2	+ 1.0	8.0
Female	1219	3.8	61	2.4	- 36.8	5.0
Unknown	3	0.0	11	0.4	--	--
TOTAL	32410	100	2568	100	--	7.9

^aPercentages may not add due to rounding.

^bSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.10 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Sex

(January-December 1977)

Service: Air Force

Sex	Eligibles		Participants		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Male	41855	86.2	416	86.3	+0.1	1.0
Female	6681	13.8	66	13.7	-0.7	1.0
Unknown	0	0.0	0	0.0	--	--
TOTAL	48536	100	482	100	--	1.0

^a Percentages may not add due to rounding.

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparisons by Race/Ethnic Groups

Comparisons of enlisted VEAP participants and eligible enlisted accessions according to race/ethnic groups are presented in Tables 3.11 through 3.15. For all Services combined, the participation rate among the white/non-Spanish group is below the total participation rate; conversely, the levels of participation in minority categories are higher than "expected" (Table 3.11). The separate Services generally follow this pattern--with the exception of black enlistees in the Marine Corps and in the Air Force.

Several early projections of participation assumed that few blacks and other minorities would initially enroll in VEAP because of the amount of required monthly contribution. Furthermore, it was felt that minorities and disadvantaged individuals (i.e., those most in need of educational support) would tend to be less "future-oriented" and not experienced enough to make realistic educational plans. The data presented here do not support the hypothesis that VEAP contributory requirements necessarily discriminate against enrollment by minorities.

Table 3.11 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Race/Ethnic Group

(January-December 1977)

All Services

Race/Ethnic Group ^a	Eligibles ^b		Participants ^b		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent	Number	Percent		
White/ Non Spanish	184752	69.7	24095	59.8	-14.2	13.0
White/ Spanish	12312	4.6	2544	6.3	+37.0	20.7
Black	58563	22.1	11288	28.0	+26.7	19.3
Other	9246	3.5	1949	4.8	+37.1	21.1
Unknown	39	0.0	436	1.1	--	--
TOTAL	264912	100	40312	100	--	15.2

^a Race/Ethnic Group determined by identifying Spanish surnames and combining surname information with Race.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.12 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Race/Ethnic Group

(January-December 1977)

Service: Army.

Race/Ethnic Group ^a	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
White/ Non-Spanish	71916	60.0	12497	51.0	-15.0	17.4
White/ Spanish	6655	5.5	1837	7.5	+36.4	27.6
Black	37043	30.9	8702	35.5	+14.9	23.5
Other	4254	3.5	1182	4.8	+37.1	27.8
Unknown	21	0.0	291	1.2	--	--
TOTAL	119889	100	24509	100	--	20.4

^a Race/Ethnic Group determined by identifying Spanish surnames and combining surname information with Race.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.13 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Race/Ethnic Group
(January-December 1977)

Service: Navy

Race/Ethnic Group ^a	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
White/ Non-Spanish	51411	80.2	9548	74.9	-6.6	18.6
White/ Spanish	2186	3.4	502	3.9	+14.7	23.0
Black	8020	12.5	2017	15.8	+26.4	25.1
Other	2451	3.8	552	4.3	+13.2	22.5
Unknown	9	0.0	134	1.1	--	--
TOTAL	64077	100	12753	100	--	19.9

^a Race/Ethnic Group determined by identifying Spanish surnames and combining surname information with Race.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.14 Comparison of Enlisted VEAP Participants and Eligible
 Enlisted Accessions by Race/Ethnic Group
 (January-December 1977)
Service: Marine Corps

Race/Ethnic Group ^a	Eligibles ^b		Participants ^b		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent	Number	Percent		
White/ Non-Spanish	21961	67.8	1638	63.8	-5.9	7.4
White/ Spanish	1917	5.9	189	7.4	+25.4	9.8
Black	7272	22.4	534	20.8	-7.1	7.3
Other	1255	3.9	196	7.6	+94.9	15.6
Unknown	5	0.0	11	0.4	--	--
TOTAL	32410	100	2568	100	--	7.9

^a Race/Ethnic Group determined by identifying Spanish surnames and combining surname information with Race.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.15 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Race/Ethnic Group

(January-December 1977)

Service: Air Force

Race/Ethnic Group ^a	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
White/ Non-Spanish	39464	81.3	412	85.5	+5.2	1.0
White/ Spanish	1554	3.2	16	3.3	+3.1	1.0
Black	6228	12.8	35	7.3	-43.0	0.6
Other	1286	2.6	19	3.9	+50.0	1.5
Unknown	4	0.0	0	0.0	--	--
TOTAL	48536	100	482	100	--	1.0

^a Race/Ethnic Group determined by identifying Spanish surnames and combining surname information with Race.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparisons by Age

Comparisons of VEAP enlisted participants and eligible enlisted accessions by age are presented in Tables 3.16 through 3.20. Generally, VEAP participants are younger than eligibles. The mean age of participants is lower than the mean age of eligibles in each of the Services. The Army (Table 3.17) and Navy (Table 3.18) display similar patterns in rates of participation by age--with individuals over the age of 20 participating at lower than "expected" levels, and individuals between the ages of 17 and 20 years participating at higher than "expected" levels. Beyond the age of twenty, the disproportionately low rates of participation become increasingly divergent from the population of eligibles with each advancing year.

The Marine Corps (Table 3.19) and Air Force (Table 3.20) do not follow the same overall pattern. For example, both of these Services are underrepresentative in the 18-year old category--where the Army and Navy display greatest overrepresentative tendencies. However, as a general conclusion (based on these data), it would appear that VEAP is more attractive to the younger enlistee.

Table 3.16 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Age at Entry

(January-December 1977)

All Services

Age at Entry ^a	Eligibles ^b		Participants ^b		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent	Number	Percent		
17 years or less	43045	16.2	7267	18.0	+11.1	16.9
18 years	78417	29.6	13200	32.7	+10.5	16.8
19 years	49724	18.8	8027	19.9	+ 5.8	16.1
20 years	27858	10.5	4289	10.6	_ 1.0	15.4
21 years	17847	6.7	2449	6.1	- 9.0	13.7
22 years	13199	5.0	1686	4.2	-16.0	12.8
23 years	9829	3.7	1085	2.7	-27.0	11.0
24 years	6956	2.6	649	1.6	-38.5	9.3
25 years or more	18035	6.8	1253	3.1	-54.5	6.9
Unknown	2	0.0	407	1.0	--	--
TOTAL	264912	100	40312	100	--	15.2

^aAge at entry computed by using date of birth and date of file. Mean age of eligibles: 19.6 years. Mean age of participants: 19.1 years.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.17 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Age at Entry

(January-December 1977)

Service: Army

Age at Entry ^a	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
17 Years or Less	20920	17.4	4365	17.8	+ 2.3	20.9
18 Years	32212	26.9	7619	31.1	+15.6	23.6
19 Years	21623	18.0	4814	19.6	+ 8.9	22.3
20 Years	12901	10.8	2708	11.0	+ 1.8	21.0
21 Years	8375	7.0	1557	6.4	- 8.6	18.6
22 Years	6380	5.3	1120	4.6	-13.2	17.6
23 Years	4603	3.8	716	2.9	-23.7	15.6
24 Years	3306	2.8	450	1.8	-35.7	13.6
25 Years or More	9569	8.0	901	3.7	-53.8	9.4
Unknown	0	0.0	265	1.1	--	--
TOTAL	119889	100	24509	100	--	20.4

^aAge at entry computed by using date of birth and date of file. Mean age of eligibles: 19.8 years. Mean age of participants: 19.2 years.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.18 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Age at Entry

(January-December 1977)

Service: Navy

Age at Entry ^a	Eligibles		Participants ^b		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
17 Years or Less	10444	16.3	2249	17.6	+ 8.0	21.5
18 Years	19565	30.5	4631	32.3	+19.0	23.7
19 Years	11754	18.3	2551	20.0	+ 9.3	21.7
20 Years	6130	9.6	1276	10.0	+ 4.2	20.8
21 Years	3992	6.2	706	5.5	-11.3	17.7
22 Years	3060	4.8	472	3.7	-22.9	15.4
23 Years	2436	3.8	289	2.3	-39.5	11.9
24 Years	1745	2.7	155	1.2	-55.6	8.9
25 Years or More	4950	7.7	293	2.3	-70.1	5.9
Unknown	1	0.0	11	0.4	--	--
TOTAL	64077	100	12753	100	--	19.9

^aAge at entry computed by using date of birth and date of file. Mean age of eligibles: 19.7 years. Mean age of participants: 18.9 years.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.19 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Age at Entry

(January-December 1977)

Service: Marine Corps

Age at Entry ^a	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
17 Years or Less	6867	21.2	603	23.5	+10.8	8.8
18 Years	10801	33.3	816	31.8	- 4.5	7.6
19 Years	6286	19.4	556	21.7	+11.8	8.8
20 Years	3108	9.6	239	9.3	- 3.1	7.7
21 Years	1822	5.6	132	5.1	- 8.9	7.2
22 Years	1134	3.5	71	2.8	-20.0	6.3
23 Years	809	2.5	59	2.3	- 8.0	7.3
24 Years	528	1.6	32	1.2	-25.0	6.1
25 Years or More	1054	3.3	49	1.9	-42.4	4.6
Unknown	1	0.0	11	0.4	--	--
TOTAL	32410	100	2568	100	--	7.9

^aAge at entry computed by using date of birth and date of file. Mean age of eligibles: 19.0 years. Mean age of participants: 18.8 years.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.20 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Age at Entry

(January-December 1977)

Service: Air Force

Age at Entry ^a	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
17 Years or Less	4814	9.9	50	10.4	+ 5.0	1.0
18 Years	15839	32.6	140	29.0	-11.0	0.9
19 Years	10061	20.7	106	22.0	+ 6.3	1.0
20 Years	5719	11.8	66	13.7	+16.1	1.2
21 Years	3658	7.5	54	11.2	+49.3	1.5
22 Years	2625	5.4	23	4.8	-11.1	1.0
23 Years	1981	4.1	21	4.4	+ 7.3	1.1
24 Years	1377	2.8	12	2.5	-10.7	0.9
25 Years or More	2462	5.1	10	2.1	-58.8	0.4
Unknown	0	0.0	0	0.0	--	--
TOTAL	48536	100	482	100	--	1.0

^aAge at entry computed by using date of birth and date of file. Mean Age of eligibles: 19.6 years. Mean age of participants: 19.4 years.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparison by Education

Comparisons of enlisted VEAP participants and eligible enlisted accessions according to educational attainment appear in Tables 3.21 through 3.25. Because of variations in Service documentation, it was not possible to calculate the number of high school graduates who passed the general educational development (GED) high school equivalency test. However, a confidence limit or range of VEAP participants with GEDs was established for each Service and total DoD. These confidence limits appear along with the percentage of eligibles with GEDs in a footnote at the bottom of each respective table.

VEAP participants in DoD (Table 3.21) and the separate Services are, in varying degrees, a cross section of eligible accessions. Most projections of VEAP enrollment have anticipated a disproportionately high rate of participation by individuals who completed high school, since it is generally assumed that most VEAP participants are college-bound. The fact that VEAP participants are a cross section of eligibles in educational attainment is therefore somewhat surprising. In fact, non-high school graduates have a slightly higher participation rate than high-school graduates.

Table 3.21 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Education
(January-December 1977)
All Services

Education	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
1 Year High School or Less	11080	4.2	1735	4.3	+2.4	15.6
2 Years High School	26386	10.0	4253	10.6	+6.0	16.1
3-4 Years High School	30758	11.6	5340	13.2	+13.8	17.4
High School Diploma Graduate or GED ^c	184495	69.6	26489	65.7	-5.6	14.4
Some College	8450	3.2	1608	4.0	+25.0	19.0
College Graduate or Post Graduate	3740	1.4	465	1.2	-14.3	12.4
Unknown	3	0.0	422	1.0	--	--
TOTAL	264912	100	40312	100	--	15.2

^a Percentages may not add due to rounding.

^b See text for description.

^c 4.6 percent of total eligible enlisted accessions are GED recipients; between 2.5 and 5.9 percent of total participants are GED recipients.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.22 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Education

(January-December 1977)

Service: Army

Education	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
1 Year High School or Less	8755	7.3	1440	5.9	-19.2	16.4
2 Years High School	15380	12.8	2924	11.9	-7.0	19.0
3-4 Years High School	16779	14.0	3539	14.4	+2.9	21.1
High School Diploma Graduate or GED	72732	60.7	15006	61.2	+0.8	20.6
Some College	4424	3.7	993	4.1	+10.8	22.4
College Graduate or Post Graduate	1818	1.5	327	1.3	-13.3	18.0
Unknown	1	0.0	280	1.1	--	--
TOTAL	119889	100	24509	100	--	20.4

^a Percentages may not add due to rounding.

^b See text for description.

^b 4.4 percent of Army eligible enlisted accessions are GED recipients; between 2.4 and 5.5 percent of Army participants are GED recipients.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.23 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Education

(January-December 1977)

Service: Navy

Education	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^d	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
1 Year High School or Less	1851	2.9	267	2.1	-27.6	14.4
2 Years High School	5630	8.8	946	7.4	-15.9	16.8
3-4 Years High School	7540	11.8	1481	11.6	-1.7	19.6
High School Diploma Graduate or GED ^c	47075	73.5	9425	73.9	+0.5	20.0
Some College	1251	1.9	388	3.0	+57.9	31.0
College Graduate or Post Graduate	728	1.1	115	0.9	-18.2	15.8
Unknown	2	0.0	131	1.0	—	—
TOTAL	64077	100	12753	100	—	19.9

^a Percentages may not add due to rounding.

^b See text for description.

^c 5.4 percent of Navy eligible enlisted accessions are GED recipients; between 2.9 and 6.5 percent of Navy participants are GED recipients.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.24 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Education

(January-December 1977)

Service: Marine Corps

Education	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
1 Year High School or Less	467	1.4	28	1.1	-21.4	6.0
2 Years High School	5359	16.5	383	14.9	-9.7	7.1
3-4 Years High School	4107	12.7	306	11.9	-6.3	7.4
High School Diploma Graduate or GED ^c	20932	64.6	1633	63.6	-1.5	7.8
Some College	1406	4.3	198	7.7	+79.1	14.1
College Graduate or Post Graduate	139	0.4	9	0.4	0.0	6.5
Unknown	0	0.0	11	0.4	--	--
TOTAL	32410	100	2568	100	--	7.9

^a Percentages may not add due to rounding.^b See text for description.^c 4.3 percent of Marine Corps eligible enlisted accessions are GED recipients; between 3.0 and 7.4 percent of Marine Corps participants are GED recipients.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.25 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Education

(January-December 1977)

Service: Air Force

Education	Eligibles ^a		Participants ^a		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent	Number	Percent		
1 Year High School or Less	7	0.0	0	0.0	--	--
2 Years High School	17	0.0	0	0.0	--	--
3-4 Years High School	2332	4.8	14	2.9	-39.6	0.6
High School Diploma Graduate or GED	43756	90.2	425	88.2	-2.2	0.9
Some College	1369	2.8	29	6.0	+114.3	2.1
College Graduate or Post Graduate	1055	2.2	14	2.9	+31.8	1.3
Unknown	0	0.0	0	0.0	--	--
TOTAL	48536	100	482	100	--	1.0

^a Percentages may not add due to rounding.^b See text for description.^c 4.6 percent of Air Force eligible enlisted accessions are GED recipients; between 1.2 and 4.6 percent of Air Force participants are GED recipients.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparisons by Mental Category

All applicants for enlistment are tested for their mental aptitude. Mental aptitude is determined from the combined scores of three subtests on the Armed Services Vocational Aptitude Battery (ASVAB). These scores are then used to classify applicants into one of five so-termed mental categories (Category I through Category V). Those in Categories I and II are above average in aptitude; those in Category III are average; those in Category IV are below average, but still eligible for enlistment; and those in Category V are at the very bottom of the scale, and not eligible to join the Services. Mental categories III and IV are also subdivided into finer classifications.

ASVAB percentile scores for the mental categories are distributed in the following manner:

<u>Mental Category</u>	<u>Percentile Score</u>
I	93-100
II	65-92
IIIa	50-64
IIIb	31-49
IVa	21-30
IVb	16-20
IVc	10-15
V	0-9

Manpower objectives focus primarily on the upper 50th percentile, or mental categories I through IIIa. For the purposes of this comparison, therefore, Categories IIIa and above are defined as the "quality" level of mental aptitude.

Tables 3.26 through 3.30 present mental category comparisons of eligible enlisted accessions and enlisted VEAP participants. For DoD as a whole (Table 3.26), service-members who scored below the 50th percentile on the ASVAB (Categories IIIb and below) participate at a slightly higher rate than those who scored in the upper 50th percentile (Categories IIIa and above).

The separate Services generally display no distinct pattern with respect to mental categories. In the Army (Table 3.27), for example, the total percentage of eligibles at the "quality" level is approximately equal to the percentage of participants at the "quality" level. In the Marine Corps (Table 3.29) and the Air Force (Table 3.30), "quality" level servicemembers are actually overrepresented among VEAP participants. Navy results (Table 3.28) are somewhat misleading, due to the high number of missing cases among eligibles. However, assuming that missing cases comprise a random sample of eligibles, "quality" level servicemembers are found to be underrepresented among VEAP participants in the Navy.

During the first six months of 1977, the differences in "quality" between eligibles and participants were noticeably greater. Although "quality" individuals are still slightly underrepresented among VEAP participants, this appears to be changing.

Table 3.26 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Mental Category

(January-December 1977)

All Services

Mental Category	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
I	13646	5.1	2084	5.2	+2.0	15.3
II	68925	26.0	9556	23.7	-8.8	13.9
IIIa	69085	26.1	9349	23.2	-11.1	13.5
IIIb	91853	34.7	15469	38.4	+10.7	16.8
IVa	9835	3.7	2051	5.1	+37.8	20.8
IVb	4566	1.7	986	2.4	+41.2	21.6
IVc	640	0.2	125	0.3	+50.0	19.5
Unknown	6362	2.4	692	1.7	--	--
TOTAL	264912	100	40312	100	--	15.2

^a Percentages may not add due to rounding.

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.27 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Mental Category

(January-December 1977)

Service: Army

Mental Category	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
I	4477	3.7	1045	4.3	+16.2	23.3
II	22963	19.2	4833	19.7	+2.6	21.0
IIIa	24698	20.6	4708	19.2	-6.8	19.1
IIIb	54146	45.2	10833	44.2	-2.2	20.0
IVa	6919	5.8	1621	6.6	+13.8	23.4
IVb	4411	3.7	974	4.0	+8.1	22.1
IVc	426	0.4	93	0.4	0.0	21.8
Unknown	1849	1.5	402	1.6	--	--
TOTAL	119889	100	24509	100	--	20.4

^a Percentages may not add due to rounding.

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.28 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Mental Category
(January-December 1977)

Service: Navy

Mental Category	Eligibles		Participants		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
I	4351	6.8	811	6.4	-5.9	18.6
II	18852	29.4	3767	29.5	+0.3	20.0
IIIa	18762	29.3	3809	29.9	+2.0	20.3
IIIb	17806	27.8	3780	29.6	+6.5	21.2
IVa	1473	2.3	317	2.5	+8.7	21.5
IVb	65	0.1	7	0.1	0.0	10.8
IVc	93	0.1	26	0.2	+100.0	28.0
Unknown	2675	4.2	236	1.8		
TOTAL	64077	100	12753	100	--	19.9

^a Percentages may not add due to rounding.

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.29 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Mental Category

(January-December 1977)

Service: Marine Corps

Mental Category	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
I	1233	3.8	151	5.9	+55.3	12.2
II	7765	24.0	711	27.7	+15.4	9.2
IIIa	9308	28.7	712	27.7	-3.5	7.6
IIIb	11627	35.9	817	31.8	-11.4	7.0
IVa	1367	4.2	113	4.4	+4.8	8.3
IVb	74	0.2	5	0.2	0.0	6.8
IVc	92	0.3	5	0.2	-33.3	5.4
Unknown	944	2.9	54	2.1	--	--
TOTAL	32410	100	2568	100	--	7.9

^a Percentages may not add due to rounding.

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.30 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Mental Category

(January-December 1977)

Service: Air Force

Mental Category	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
I	3585	7.4	77	16.0	+116.2	2.1
II	19345	39.9	245	50.8	+27.3	1.3
IIIa	16317	33.6	120	24.9	-25.9	0.7
IIIb	8274	17.0	39	8.1	-52.4	0.5
IVa	76	0.2	0	0.0	--	--
IVb	16	0.0	0	0.0	--	--
IVc	29	0.1	1	0.2	+100.0	3.4
Unknown	894	1.8	0	0.0	--	--
TOTAL	48536	100	482	100	--	1.0

^a Percentages may not add due to rounding.

^b See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparisons by Marital Status and Dependents.

Tables 3.31 through 3.35 present comparisons of enlisted VEAP participants and eligible enlisted accessions by marital status and dependents. These demographic characteristics were grouped together for two reasons: (1) they are both intended to reveal patterns of participation among individuals who have disparate abilities to set aside contributory funds; and, (2) there is a strong correlation between marital status and the declaration of dependents.

Each Service follows a similar pattern of participation: married enlistees participate at rates well below the total participation rate, and the likelihood of VEAP participation diminishes as the number of dependents increases.

There is a large group of unknown cases among VEAP participants in the data on dependents. Assuming that unknown cases represent a random sample of participants, the relative differences between categories of dependents would remain the same.

Table 3.31 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Marital Status and Dependents

(January-December 1977)

All Services

<u>Marital Status</u>	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent		
Single	234719	88.6	38184	94.7	+6.9	16.3
Married	30175	11.4	1208	4.2	-63.2	5.7
Unknown	18	0.0	420	1.0	--	--
TOTAL	264912	100	40312	100	--	15.2
<u>Dependents^c</u>						
None	234068	88.4	35423	87.9	-0.6	15.1
One	13990	5.3	1257	3.1	-41.5	9.0
Two	11667	4.4	374	0.9	-79.5	3.2
Three or More	5169	1.9	77	0.2	-89.5	1.5
Unknown	18	0.0	3181	7.9	--	--
TOTAL	264912	100	40312	100	--	15.2

^a Percentages may not add due to rounding.^b See text for description.^c 0.7 percent of single enlisted accessions reported one or more dependents; 0.5 percent of married enlisted accessions reported no dependents.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.32 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Marital Status and Dependents

(January-December 1977)

Service: Army

<u>Marital Status</u>	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Single	103045	86.0	22753	92.8	+7.9	22.1
Married	16837	14.0	1480	6.0	-57.1	8.8
Unknown	7	0.0	276	1.0	--	--
TOTAL	119889	100	24509	100		20.4
<u>Dependents^c</u>						
None	102948	85.9	20850	85.1	-0.9	20.2
One	6688	5.6	939	3.8	-32.1	14.0
Two	6823	5.7	340	1.4	-75.4	5.0
Three or More	3423	2.9	73	0.3	-89.7	2.1
Unknown	7	0.0	2307	9.4	--	--
TOTAL	119889	100	24509	100	--	20.4

^a Percentages may not add due to rounding.

^b See text for description.

^c 0.6 percent of single enlisted accessions reported one or more dependents; 0.5 percent of married enlisted accessions reported no dependents.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File.

Table 3.33 Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Marital Status and Dependents

(January-December 1977)

Service: Navy

<u>Marital Status</u>	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Single	59006	92.1	12472	97.8	+6.2	21.1
Married	5064	7.9	150	1.2	-84.8	3.0
Unknown	7	0.0	131	1.0	--	--
TOTAL	64077	100	12753	100	--	19.9
<u>Dependents</u> ^c						
None	58430	91.2	11736	92.0	+0.9	20.1
One	2551	4.0	247	1.9	-52.5	9.7
Two	2314	3.6	23	0.2	-94.4	1.0
Three or More	775	1.2	2	0.0	--	0.2
Unknown	7	0.0	745	5.8	--	--
TOTAL	64077	100	12753	100	--	19.9

^a Percentages may not add due to rounding.

^b See text for description.

^c 1.1 percent of single enlisted accessions reported one or more dependents; 0.2 percent of married enlisted accessions reported no dependents.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.34 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Marital Status and Dependents
(January-December 1977)

Service: Marine Corps

<u>Marital Status</u>	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
Single	30628	94.5	2495	97.2	+2.8	8.1
Married	1778	5.5	60	2.3	-58.2	3.4
Unknown	4	0.0	13	0.5	--	--
TOTAL	32410	100	2568	100	--	7.9
<u>Dependents</u> ^c						
None	30594	94.4	2380	92.7	-1.8	7.8
One	1341	4.1	60	2.3	-43.9	4.5
Two	377	1.2	6	0.2	-83.3	1.6
Three or More	94	0.3	1	0.0	--	1.1
Unknown	4	0.0	121	4.7	--	--
TOTAL	32410	100	2568	100	--	7.9

^a Percentages may not add due to rounding.

^b See text for description.

^c 0.4 percent of single enlisted accessions reported one or more dependents;
0.3 percent of married enlisted accessions reported no dependents.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.35 Comparison of Enlisted VEAP Participants and Eligible
Enlisted Accessions by Marital Status and Dependents

(January-December 1977)

Service: Air Force

	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^b	VEAP Participation Rate (Percent)
	Number	Percent ^a	Number	Percent ^a		
<u>Marital Status</u>						
Single	42040	86.6	464	96.3	+11.2	1.1
Married	6496	13.4	18	3.7	-72.4	0.3
Unknown	0	0.0	0	0.0	--	--
TOTAL	48536	100	482	100	--	1.0
<u>Dependents^c</u>						
None	42096	86.7	457	94.8	+9.3	1.1
One	3410	7.0	11	2.3	-67.1	0.3
Two	2153	4.4	5	1.0	-77.3	0.2
Three or More	877	1.8	1	0.2	-88.9	0.1
Unknown	0	0.0	8	1.7	--	--
TOTAL	48536	100	482	100	--	1.0

^a Percentages may not add due to rounding.

^b See text for description.

^c 0.9 percent of single enlisted accessions reported one or more dependents;
1.0 percent of married enlisted accessions reported no dependents.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Comparisons by Median Family Income in Home of Record
(1970 Zip Code Area)

The comparisons of median family income in home of record are presented in Tables 3.36 through 3.40. These data were derived from the 1970 U.S. Census of Population by using postal Zip code identifiers. Median family incomes are for the 1970 Zip code areas used in the Census, and represent earnings for the 1969 calendar year. The distributions were derived for the purposes of conducting comparative analyses between eligibles and participants. Since the income figures are only used for comparison, they have not been scaled to current dollar levels.

The data were extracted from the 1970 Census because this source provided the only available measure of family income. It is assumed that these data provide a reasonably good measure of the environment in which the residents of the Zip code area live. Although there will be some variance of incomes within Zip code areas, it is further assumed that high income families tend to live in Zip areas with high median family incomes, low income families in Zip areas with low median family incomes, and so on.

The data on median family income in home of record are consistent throughout the Services. In each Service, lower income eligibles are slightly underrepresented among participants, while middle and upper income eligibles are slightly overrepresented.

Table 3.36. Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Median Family Income in Home of Record (1970 Zip Code Area)^a

(January-December 1977)

All Services

Median Family Income in Home of Record (1970 Zip Code Area)	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
Under \$6,000	16052	6.0	2425	6.0	0.0	15.1
\$6,000 - \$7,999	60562	22.9	8850	22.0	-3.9	14.6
\$8,000 - \$9,999	86204	32.5	12637	31.3	-3.7	14.6
\$10,000 - \$11,999	68216	25.8	10635	26.4	+2.3	15.6
\$12,000 - \$14,999	29261	11.0	4922	12.2	+10.9	16.8
\$15,000 - \$24,999	4549	1.7	832	2.1	+23.5	18.3
Over \$25,000	68	0.0	11	0.0	--	16.2
TOTAL	264912	100	40312	100	--	15.2

^aMedian Family Income is for CY 1969, derived from the 1970 U.S. Census of Population Zip Code area distribution. Merging the participant and eligible files with the Census data resulted in a large number of cases that could not be matched by Zip Code (2.8% for eligibles and 10% for participants). To reduce the effect of this disparity, unidentified cases were distributed among the income categories on a proportional basis.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, and Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.37. Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Median Family Income in Home of Record (1970 Zip Code Area)^a

(January-December 1977)

Service: Army

Median Family Income in Home of Record (1970 Zip Code Area)	<u>Eligibles</u>		<u>Participants</u>		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
Under \$6,000	8957	7.5	1725	7.0	-6.7	19.2
\$6,000 - \$7,999	20153	25.2	5925	24.2	-4.0	19.6
\$8,000 - \$9,999	39331	32.8	7800	31.8	-3.0	19.8
\$10,000 - \$11,999	28307	23.6	6014	24.5	+3.8	21.2
\$12,000 - \$14,999	11182	9.3	2600	10.6	+14.0	23.2
\$15,000 - \$24,999	1650	1.4	436	1.8	+28.6	26.4
Over \$25,000	28	0.0	9	0.0	--	32.1
TOTAL	119889	100	24509	100	--	20.4

^aMedian Family Income is for CY 1969, derived from the 1970 U.S. Census of Population Zip Code area distribution. Merging the participant and eligible files with the Census data resulted in a large number of cases that could not be matched by Zip Code (2.8% for eligibles and 10% for participants). To reduce the effect of this disparity, unidentified cases were distributed among the income categories on a proportional basis.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Army Finance and Accounting Center Master Allotment File

Table 3.38. Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Median Family Income in Home of Record (1970 Zip Code Area)^a

(January-December 1977)

Service: Navy

Median Family Income in Home of Record (1970 Zip Code Area)	Eligibles ^b		Participants ^b		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent	Number	Percent		
Under \$6,000	2928	4.6	550	4.3	-6.5	18.8
\$6,000 - \$7,999	13017	20.3	2379	18.6	-8.4	18.3
\$8,000 - \$9,999	20426	31.9	3888	30.5	-4.4	19.0
\$10,000 - \$11,999	17902	27.9	3727	29.2	+4.6	20.8
\$12,000 - \$14,999	8418	13.1	1886	14.8	+13.0	22.4
\$15,000 - \$24,999	1369	2.1	323	2.5	+19.0	23.6
Over \$25,000	17	0.0	0	0.0	--	--
TOTAL	64007	100	12753	100	--	19.9

^a Median Family Income is for CY 1969, derived from the 1970 U.S. Census of Population Zip Code area distribution. Merging the participant and eligible files with the Census data resulted in a large number of cases that could not be matched by Zip Code (2.8% for eligibles and 10% for participants). To reduce the effect of this disparity, unidentified cases were distributed among the income categories on a proportional basis.

^b Percentages may not add due to rounding.

^c See text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Navy Finance Center Master Block Listing.

Table 3.39. Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Median Family Income in Home of Record (1970 Zip Code Area)^a

(January-December 1977)

Service: Marine Corps

Median Family Income in Home of Record (1970 Zip Code Area)	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
Under \$6,000	1874	5.8	147	5.7	-1.7	7.8
\$6,000 - \$7,999	7014	21.6	498	19.4	-10.2	7.1
\$8,000 - \$9,999	10556	32.6	792	30.8	-5.5	7.5
\$10,000 - \$11,999	8839	27.3	741	28.8	+5.5	8.4
\$12,000 - \$14,999	2576	11.0	336	13.1	+19.1	9.4
\$15,000 - \$24,999	541	1.7	52	2.0	+17.6	9.6
Over \$25,000	10	0.0	2	0.0	--	20.0
TOTAL	32410	100	2568	100	--	7.9

^aMedian Family Income is for CY 1969, derived from the 1970 U.S. Census of Population Zip Code area distribution. Merging the participant and eligible files with the Census data resulted in a large number of cases that could not be matched by Zip Code (2.8% for eligibles and 10% for participants). To reduce the effect of this disparity, unidentified cases were distributed among the income categories on a proportional basis.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Marine Corps Main Blanket File.

Table 3.40. Comparison of Enlisted VEAP Participants and Eligible Enlisted Accessions by Median Family Income in Home of Record (1970 Zip Code Area)^a

(January-December 1977)

Service: Air Force

Median Family Income in Home of Record (1970 Zip Code Area)	Eligibles		Participants		VEAP Participation Index ^c	VEAP Participation Rate (Percent)
	Number	Percent ^b	Number	Percent ^b		
Under \$6,000	2322	4.8	12	2.4	-50.0	0.5
\$6,000 - \$7,999	10423	21.5	67	13.9	-35.3	0.6
\$8,000 - \$9,999	15895	32.7	160	33.2	+1.5	1.0
\$10,000 - \$11,999	12852	26.5	138	28.6	+7.9	1.1
\$12,000 - \$14,999	6050	12.5	86	17.8	+42.4	1.4
\$15,000 - \$24,999	982	2.0	19	4.0	+100.0	1.9
Over \$25,000	12	0.0	0	0.0	--	--
TOTAL	49536	100	482	100	--	1.0

^aMedian Family Income is for CY 1969, derived from the 1970 U.S. Census of Population Zip Code area distribution. Merging the participant and eligible files with the Census data resulted in a large number of cases that could not be matched by Zip Code (2.8% for eligibles and 10% for participants). To reduce the effect of this disparity, unidentified cases were distributed among the income categories on a proportional basis.

^bPercentages may not add due to rounding.

^cSee text for description.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, and Air Force Accounting and Finance Center Blanket Company Voucher.

3.3 Participation Frequencies for Selected Enrollment Characteristics

The tables in this section present frequency distributions broken out by Service. The characteristics depicted are month of enrollment, officer and enlisted participation, amount of monthly contribution, and month of enrollment. The data cover all participants, including both officers and enlisted service-members. The month of enrollment table is presented here in order to show total VEAP enrollment by Service of accession. However, as already stated, officers comprise a very small percentage of program participants (less than one half of one percent). Therefore, enrollment figures do not shift markedly from those previously presented in Tables 3.1 through 3.5.

- Month of Enrollment (Table 3.41)

As pointed out in the previous section, monthly enrollments in VEAP generally increased throughout the year, reaching a peak during the month of October. The slow growth during the first six months of the program most likely reflects the lag in information reaching the prospective recruit population. The dip in November enrollments (almost entirely attributable to a fall-off in Army participation) and December are, in large part, related to the seasonal decrease in enlistments which commonly occurs at that time of year. Overall, monthly participation trends appear to be stabilizing.

Table 3.41. VEAP Participants: Frequency Distribution by Military Service and Month of Enrollment

(January-December 1977)

Month of Enrollment	Frequency Distribution ^a									
	Military Service									
	Army		Navy		Marine Corps		Air Force		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
January	6	0.0	0	0.0	0	0.0	0	0.0	6	0.0
February	741	3.0	28	0.2	0	0.0	0	0.0	769	1.9
March	1937	7.9	55	0.4	57	2.2	0	0.0	2049	1.9
April	2201	8.9	97	0.8	148	5.7	5	1.0	2451	6.1
May	2091	8.5	672	5.3	165	6.4	7	1.4	2935	7.2
June	1930	7.8	661	5.2	431	16.7	28	5.5	3050	7.5
July	1309	5.3	1382	10.8	455	17.7	53	10.5	3199	7.9
August	3856	15.7	1959	15.3	207	8.0	40	7.9	6062	15.0
September	2813	11.4	1966	15.4	293	11.4	56	11.0	5128	12.7
October	3726	15.1	2105	16.5	267	10.4	103	20.3	6201	15.3
November	2671	10.8	2088	16.3	300	11.6	106	20.9	5165	12.8
December	1345	5.5	1767	13.8	253	9.8	109	21.5	3474	8.6
TOTAL	24626	100	12780	100	2576	100	507	100	40489	100

^a Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher.

- Officer and Enlisted Participation (Table 3.42)

This table is included here primarily because it shows officer participation by Service. Although available, paygrade breakouts are not presented because, at this point in the program, they contain relatively little information of value.

- Amount of Monthly Contribution (Table 3-43)

The distribution of participants according to the amount of monthly contribution is clearly bimodal, with the peaks being at the minimum and maximum contributory levels. The \$50 minimum contribution continues to be the most popular option among VEAP participants. Six out of ten enrollees elect to contribute at the lower limit. This general trend holds true for each Service except the Air Force. Only four out of ten Air Force enrollees contribute at the minimum level, while nearly half contribute at the maximum (\$75) level. For the other Services, only about a quarter of the enrollees participate at the maximum level. The mean monthly contribution for all Services is \$58.33.

The results of a study of initial participation conducted last year by the Human Resources Research Organization (HumRRO) revealed that VEAP would probably attract more servicemembers if the minimum contribution were reduced. In that study, HumRRO researchers found that: 1) market surveys of military-age youth showed that a \$25 monthly contribution was preferred by the greatest number of prospective participants; 2) contributory requirements may discourage participation by those with

Table 3. 43 VEAP Participants: Frequency Distribution by
Military Service for Officer and Enlisted Personnel

(January-December 1977)

	Frequency Distribution *									
	Military Service									
	Army		Navy		Marine Corps		Air Force		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Enlisted Personnel	24509	99.5	12753	99.8	2568	99.7	482	95.1	40312	99.6
Officers	117	0.4	27	0.2	8	0.3	25	4.9	177	0.4
Total	24626	100	12780	100	2576	100	507	100	40489	100

*Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File. USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.42. VEAP Participants: Frequency Distribution by Military Service and Amount of Monthly Contribution

(January-December 1977)

Amount of Monthly Contribution ^b	Frequency Distribution ^a									
	Military Service									
	Army		Navy		Marine Corps		Air Force		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
50 Dollars	15268	62.0	7290	57.0	1646	63.9	203	40.0	24407	60.3
55 Dollars	393	1.6	236	1.8	4	0.2	5	1.0	638	1.6
60 Dollars	904	3.7	1642	12.8	291	11.3	27	5.3	2864	7.1
65 Dollars	390	1.6	403	3.2	7	0.3	15	3.0	815	2.0
70 Dollars	109	0.4	92	0.7	2	0.1	9	1.8	2.2	0.5
75 Dollars	7562	30.7	3117	24.4	626	24.3	248	48.9	11553	28.5
TOTAL ^b	24626	100	12780	100	2576	100	507	100	40488	100

^a Percentages may not add due to rounding.^b Mean Monthly Contributions are as follows: Army, \$58.45; Navy, \$58.09; Marine Corps, \$57.27; Air Force, \$63.61; Total VEAP Participants, \$58.33.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher.

a lower "capacity to contribute"; and 3) there may be a large number of prospective participants who are willing to participate if the contribution is reduced to \$25, or who are waiting until they can afford to participate at the current minimum level of \$50 a month.

- Month of Disenrollment (Table 3.44)

Without the benefit of experience from similar participatory programs, there is no way of determining whether drop-out rates are high or low. The Army has the highest cumulative drop-out rate for the 12-month period (11.9 percent), and the Air Force has the lowest (3.7 percent). Observe that in the last four months for which data are presented, the drop-out rate stabilized across Services at about 1.4 percent per month.

It should be noted that the vast majority of disenrollees are individuals who have separated from the Service. The actual number of "true" VEAP disenrollees is considerably less than indicated in Table 3.44. As shown in Table 3.45, over 75 percent of all disenrollments during CY 1977 are attributable to early discharges. When separatees are subtracted from total disenrollees, an adjusted disenrollment rate of 2.1 percent is found.

Disenrollment trends can serve as a good index of a program's success. In many ways, it is as important to know who is dropping out of a program as it is to know who is enrolling. More detailed analyses of VEAP disenrollment trends are being conducted by the Department of Defense, and will be presented in a report to be completed later this year.

Table 3.44. VEAP Participants: Frequency Distribution by Military Service and Month of Disenrollment

(January-December 1977)

Month of Disenrollment	Frequency Distribution ^a									
	Military Service									
	Army		Navy		Marine Corps		Air Force		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
January	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
February	23	0.1	0	0.0	0	0.0	0	0.0	23	0.1
March	104	0.4	2	0.0	2	0.1	0	0.0	109	0.3
April	185	0.8	3	0.0	6	0.2	0	0.0	194	0.5
May	220	0.9	32	0.3	2	0.1	0	0.0	254	0.6
June	275	1.1	35	0.3	10	0.4	0	0.0	320	0.8
July	340	1.4	81	0.6	19	0.7	1	0.2	441	1.1
August	284	1.2	113	0.9	27	1.0	0	0.0	424	1.0
September	338	1.4	157	1.2	35	1.4	1	0.2	531	1.3
October	388	1.6	154	1.2	37	1.4	7	1.4	586	1.4
November	356	1.4	177	1.4	32	1.2	7	1.4	572	1.4
December ^b	418	1.7	159	1.2	0	0.0	3	0.6	580	1.4
Total Dis-enrolled	2932	11.9	913	7.1	170	6.6	19	3.7	4034	10.0
No Disenrollment Reported ^c	21694	88.1	11867	92.9	2406	93.4	488	96.3	36455	90.0
Total	24626	100	12780	100	2576	100	507	100	40489	100

^a Percentages may not add due to rounding.^b Army disenrollment total for December separately provided by Army Finance and Accounting Center.^c Active participants at end of CY 1977.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher.

Table 3.45 VEAP Participants: Disenrollment
and Early Separation by Military Service
(Percent of Participants)

<u>Military Service</u>	<u>Total Disenrollment Rate</u>	<u>Disenrolled and Separated</u>	<u>Adjusted Disenrollment Rate (Disenrollees less Separatees)</u>
Army	10.2* (2514)	8.2* (2016)	2.0* (498)
Navy	7.1 (913)	4.9 (622)	2.3 (291)
Marine Corps	6.6 (170)	4.9 (126)	1.7 (44)
Air Force	3.7 (19)	1.4 (7)	2.4 (12)
TOTAL	8.9 (3616)	6.8 (2771)	2.1 (845)

*Army disenrollment data for December do not appear in computations since these data were separately provided by the Army Finance and Accounting Center. Including Army disenrollment data for December, estimated disenrollment rates are: Army total disenrollment rate, 11.9 percent; Army adjusted disenrollment rate, 2.4 percent; DoD total disenrollment rate, 10.0 percent; DoD adjusted disenrollment rate, 2.3 percent.

SOURCE: Data derived from DoD Master and Loss File. USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher.

3.5 Evaluation of Contributory Levels and Participation

No other feature of VEAP has sparked as much discussion as the contribution formula. The major issue is whether enlisted recruits can afford \$50 to \$75 deductions from their monthly paychecks. Currently, the approximate take-home pay of a new military recruit is about \$335 per month (for a single enlistee living in government quarters). If interested in participating in VEAP, therefore, the recruit would have to set aside between 14.9 and 23.3 percent of his or her monthly pay, depending upon the level of contribution. If the servicemember is married with dependents, or just making car payments, an additional \$50 a month commitment may well be a significant financial outlay. Even for those without pressing financial responsibilities, there is the question of whether the average recruit, who is typically still a "teenager," is mature enough or has sufficient foresight to make such a commitment.

In order to obtain information on how contributory levels might be affecting the enrollment of various types of servicemembers, a series of cross-tabulations was performed on participant data from the first year. In these analyses, participation rates for the various contributory levels were compared when broken out by selected demographic characteristics. The results of these comparisons appear in Tables 3.46 through 3.50.

In comparing contributory levels by demographic characteristics, the following assumptions are made: (1) married servicemembers and those with dependents are less likely to be able to save at required levels than are single servicemembers with no dependents; (2) white/non-Spanish servicemembers are less likely to be from disadvantaged backgrounds than are minorities; (3) non-high school graduates are more likely to be from low-income families than are high school graduates; (4) median family income in home of record reflects the probable family income range of servicemembers; and (5) older enlistees are probably more financially settled than young enlistees. If these assumptions are correct--and enlistees can be separated on the basis of their inferred ability to save--then the data in Tables 3.46 through 3.50 support the claim that, for some servicemembers, the required levels of contribution discourage enrollment in VEAP.

The data show that there is a clear trend on every demographic variable for participants who are assumed to have fewer financial resources to participate at the lower contributory levels. This trend is least dramatic when age is the demographic variable being examined, though, as expected, younger enrollees are slightly more likely to opt for the minimum contribution. The absence of a stronger trend is possibly due to the interaction of age with other variables. For example, since older servicemembers are more likely to be married and

more likely to have dependents, they also are inclined to contribute at the minimum level. These interactions tend to obscure any age-related differences.

Though the combined data for all Services show unmistakable trends in the anticipated direction, there is some inter-Service variation. The trends hold true for the Army and Navy, but Air Force and Marine Corps data reveal several exceptions. For example, among Air Force participants, those with dependents are less likely than those with no dependents to contribute at the minimum level. And among Marine Corps participants, those from towns where the median income is \$25,000 per year or more are actually more likely to participate at the minimum level than those from towns where the median income is less than \$6,000 per year. These apparent discrepancies are most likely due to the fact that the Marine Corps and the Air Force have much fewer participants than do the Army and Navy. Therefore, the cross-tabulation matrices for the Marine Corps and Air Force have very few cases in some cells. In future analyses, as the total number of VEAP participants in these two components grows, the trends should stabilize, yielding more reliable data.

Table 3.46. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level

(January-December 1977)

All Services

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Marital Status</u>							
Single	59.7	1.6	7.3	2.1	0.5	28.8	100
Married	73.4	1.3	2.7	0.9	0.2	21.5	100
Unknown	58.1	1.3	4.8	1.3	0.4	34.0	100
<u>Number of Dependents</u>							
None	59.4	1.6	7.4	2.1	0.5	29.0	100
One	73.7	1.3	4.4	1.2	0.3	19.2	100
Two	73.9	1.3	1.3	1.6	0.0	21.8	100
Three or More	74.4	0.0	2.4	1.2	0.0	22.0	100
Unknown	62.3	1.7	5.3	1.7	0.6	28.5	100
<u>Race/Ethnic Group</u>							
White/Non-Spanish	58.1	1.4	8.0	2.1	0.5	29.9	100
White/Spanish	63.8	1.5	6.0	1.7	0.5	26.5	100
Black	63.3	2.1	5.9	2.0	0.5	26.2	100
Other	65.0	1.0	4.6	1.4	0.6	27.3	100
Unknown	59.7	1.1	4.2	1.3	0.4	33.2	100
<u>Education</u>							
Non-High School Graduate	66.3	1.8	6.6	2.0	0.5	22.7	100
High School Graduate or GED	58.6	1.5	7.4	2.1	0.5	29.8	100
1 Year College or More	49.1	1.4	6.3	1.3	0.5	41.3	100
Unknown	59.4	1.1	4.5	1.3	0.4	33.3	100

(Continued)

Table 3.46. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level (Continued)

(January-December 1977)

All Services

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Median Income</u>							
Less than \$6,000	66.6	1.4	4.7	1.7	0.4	25.2	100
\$6,000-\$7,999	63.7	1.6	6.6	1.9	0.5	25.8	100
\$8,000-\$9,999	61.1	1.8	7.0	2.1	0.5	27.5	100
\$10,000-\$11,999	58.3	1.5	7.9	2.3	0.6	29.4	100
\$12,000-\$14,999	55.3	1.2	8.1	2.2	0.7	32.4	100
\$15,000-\$24,999	46.1	1.7	9.9	2.1	0.9	39.2	100
\$25,000 or more	40.0	0.0	0.0	0.0	0.0	60.0	100
Unknown	60.7	1.4	5.8	1.3	0.4	30.3	100
<u>Age at Entry</u>							
17 years or less	62.1	1.8	7.7	2.3	0.5	25.6	100
18 years	58.1	1.6	8.2	2.3	0.6	29.3	100
19 years	60.8	1.5	7.0	1.9	0.6	28.2	100
20 years	61.2	1.7	6.0	1.8	0.3	28.9	100
21 years	62.5	1.4	6.6	1.4	0.4	27.7	100
22 years or Older	60.8	1.1	4.7	1.4	0.6	31.3	100
Unknown	59.3	1.2	4.7	1.4	0.5	32.9	100

* Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, Navy Finance Center Master Block Listing, Marine Corps Main Blanket File, Air Force Accounting and Finance Center Blanket Company Voucher, and 1970 Census of Population Fifth Count File (Zip Code Extract).

Table 3.47. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level

(January-December 1977)

Service: Army

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						
	Contributory Level (Dollars)						TOTAL
	50	55	60	65	70	75	
<u>Marital Status</u>							
Single	61.3	1.6	3.8	1.6	0.5	31.2	100
Married	73.4	1.3	2.3	0.9	0.3	21.7	100
Unknown	58.7	1.6	2.9	0.3	0.3	36.2	100
<u>Number of Dependents</u>							
None	61.0	1.6	3.9	1.6	0.5	31.4	100
One	74.8	1.2	2.0	1.3	0.2	20.5	100
Two	75.2	1.5	0.9	0.9	0.0	21.6	100
Three or More	80.8	0.0	1.4	1.4	0.0	16.4	100
Unknown	63.2	1.6	2.8	1.3	0.5	30.6	100
<u>Race/Ethnic Group</u>							
White/Non-Spanish	59.7	1.4	4.0	1.6	0.4	33.0	100
White/Spanish	64.7	1.5	3.5	1.4	0.5	28.4	100
Black	64.6	2.1	3.6	1.8	0.4	27.6	100
Other	63.7	1.0	1.8	1.0	0.8	31.7	100
Unknown	60.9	1.3	2.3	0.3	0.3	34.8	100
<u>Education</u>							
Non-High School Graduate	68.2	1.8	3.5	1.5	0.6	24.5	100
High School Graduate or GED	60.1	1.5	3.8	1.7	0.4	32.6	100
1 Year College or More	48.2	1.5	4.1	1.2	0.3	44.7	100
Unknown	61.7	1.4	2.8	0.3	0.3	33.4	100

(Continued)

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Table 3.47. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level (Continued)

(January-December 1977)

Service: Army

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Median Income</u>							
Less than \$6,000	67.1	1.6	2.6	1.4	0.4	27.0	100
\$6,000-\$7,999	65.3	1.7	3.6	1.3	0.4	27.7	100
\$8,000-\$9,999	62.8	1.8	3.8	1.7	0.4	29.5	100
\$10,000-\$11,999	59.7	1.5	4.0	1.9	0.5	32.3	100
\$12,000-\$14,999	56.3	1.1	3.3	1.7	0.6	37.0	100
\$15,000-\$24,999	47.5	1.6	4.7	1.3	0.8	44.2	100
\$25,000 or more	25.0	0.0	0.0	0.0	0.0	75.0	100
Unknown	62.2	1.6	3.7	1.1	0.3	31.2	100
<u>Age at Entry</u>							
17 years or less	64.3	2.0	3.8	1.9	0.5	27.6	100
18 years	60.2	1.6	4.2	1.8	0.5	31.7	100
19 years	62.4	1.6	3.5	1.5	0.5	30.6	100
20 years	62.3	1.8	3.8	1.4	0.3	30.4	100
21 years	63.8	1.5	3.9	1.3	0.2	29.3	100
22 years or Older	61.4	1.0	2.4	1.3	0.4	33.4	100
Unknown	60.9	1.4	2.8	0.4	0.4	34.2	100

* Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Army Finance and Accounting Center Master Allotment File, and 1970 Census of Population Fifth Count File (Zip Code Extract).

Table 3.48. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level

(January-December 1977)

Service: Navy

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Marital Status</u>							
Single	56.8	1.9	13.0	3.2	0.7	24.4	100
Married	76.5	0.7	4.6	0.7	0.0	17.6	100
Unknown	55.0	0.8	9.2	3.8	0.8	30.5	100
<u>Number of Dependents</u>							
None	56.6	1.8	12.9	3.2	0.7	24.7	100
One	72.3	1.6	10.8	1.2	0.4	13.7	100
Two	73.9	0.0	8.7	8.7	0.0	8.7	100
Three or More	0.0	0.0	0.0	0.0	0.0	100.0	100
Unknown	58.4	2.4	12.5	3.2	0.9	22.6	100
<u>Race/Ethnic Group</u>							
White/Non-Spanish	56.0	1.8	13.1	3.1	0.7	25.4	100
White/Spanish	62.5	1.8	11.8	3.4	0.6	19.9	100
Black	57.9	2.5	13.7	3.5	0.8	21.6	100
Other	67.8	1.4	7.2	2.5	0.5	20.4	100
Unknown	55.1	0.7	8.8	3.7	0.7	30.9	100
<u>Education</u>							
Non-High School Graduate	60.3	2.3	14.2	3.7	0.6	18.9	100
High School Graduate or GED	56.4	1.7	12.7	3.0	0.7	25.3	100
1 Year College or More	51.9	1.7	10.0	1.9	1.0	33.4	100
Unknown	53.8	0.7	8.4	3.5	0.7	32.9	100

(Continued)

Table 3.48. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level (Continued)

(January-December 1977)

Service: Navy

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Median Income</u>							
Less than \$6,000	64.8	1.4	9.1	3.0	0.4	21.3	100
\$6,000-\$7,999	60.2	1.8	12.0	3.5	0.6	21.9	100
\$8,000-\$9,999	57.6	2.1	13.0	3.3	0.7	23.3	100
\$10,000-\$11,999	55.9	1.9	13.6	3.1	0.7	24.8	100
\$12,000-\$14,999	53.9	1.6	14.4	3.2	0.9	26.1	100
\$15,000-\$24,999	45.1	2.4	15.2	3.7	1.3	32.3	100
\$25,000 or more	--	--	--	--	--	--	--
Unknown	57.0	1.4	10.4	2.2	0.8	28.2	100
<u>Age at Entry</u>							
17 years or less	56.7	2.0	14.4	3.9	0.6	22.4	100
18 years	54.5	1.9	14.2	3.5	0.8	25.2	100
19 years	58.6	1.8	12.1	3.0	0.8	23.7	100
20 years	58.5	1.9	10.4	2.8	0.4	26.1	100
21 years	60.7	1.6	12.3	1.7	0.7	23.0	100
22 years or Older	60.5	1.7	10.0	2.0	0.8	24.9	100
Unknown	54.5	0.8	9.1	3.8	0.8	31.1	100

* Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Navy Finance Center Master Block Listing, and 1970 Census of Population Fifth Count File (Zip Code Extract).

Table 3.49. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level

(January-December 1977)

Service: Marine Corps

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Marital Status</u>							
Single	63.4	0.1	11.4	0.3	0.1	24.7	100
Married	80.6	1.6	8.1	0.0	0.0	9.7	100
Unknown	76.9	0.0	7.7	0.0	0.0	15.4	100
<u>Number of Dependents</u>							
None	63.3	0.1	11.4	0.3	0.1	24.8	100
One	72.1	1.6	13.1	0.0	0.0	13.1	100
Two	57.1	0.0	0.0	0.0	0.0	42.9	100
Three or More	0.0	0.0	100.0	0.0	0.0	0.0	100
Unknown	71.9	0.0	8.3	0.0	0.0	19.8	100
<u>Race/Ethnic Group</u>							
White/Non-Spanish	63.5	0.1	9.8	0.2	0.1	26.3	100
White/Spanish	61.1	0.0	13.7	0.5	0.0	24.7	100
Black	64.4	0.6	13.9	0.4	0.2	20.6	100
Other	67.3	0.0	14.8	0.5	0.0	17.3	100
Unknown	81.8	0.0	0.0	0.0	0.0	18.2	100
<u>Education</u>							
Non-High School Graduate	69.3	0.0	12.6	0.4	0.0	17.7	100
High School Graduate or GED	62.8	0.2	10.7	0.2	0.1	26.1	100
1 Year College or More	53.7	0.5	12.1	0.5	0.5	32.7	100
Unknown	75.0	0.0	0.0	0.0	0.0	25.0	100

(Continued)

Table 3.49. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level (Continued)

(January-December 1977)

Service: Marine Corps

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Median Income</u>							
Less than \$6,000	69.9	0.0	12.0	0.0	0.0	18.0	100
\$6,000-\$7,999	65.3	0.0	14.2	0.0	0.2	20.2	100
\$8,000-\$9,999	65.6	0.3	9.4	0.1	0.1	24.4	100
\$10,000-\$11,999	62.5	0.3	11.5	0.6	0.0	25.1	100
\$12,000-\$14,999	61.5	0.0	9.2	0.0	0.0	29.3	100
\$15,000-\$24,999	35.4	0.0	22.9	0.0	0.0	41.7	100
\$25,000 or more	100.0	0.0	0.0	0.0	0.0	0.0	100
Unknown	64.8	0.0	11.1	0.8	0.0	23.3	100
<u>Age at Entry</u>							
17 years or less	66.7	0.0	11.3	0.0	0.0	22.1	100
18 years	62.0	0.1	11.4	0.5	0.0	26.0	100
19 years	61.2	0.0	14.4	0.2	0.2	24.1	100
20 years	69.0	0.4	8.4	0.8	0.0	21.3	100
21 years	67.2	0.7	9.0	0.0	0.0	23.1	100
22 years or Older	61.8	0.5	8.3	0.0	0.5	29.0	100
Unknown	81.8	0.0	0.0	0.0	0.0	18.2	100

* Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Marine Corps Main Blanket File, and 1970 Census of Population Fifth Count File (Zip Code Extract).

Table 3.50. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level

(January-December 1977)

Service: Air Force

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Marital Status</u>							
Single	40.1	1.0	5.6	3.1	1.9	48.2	100
Married	38.5	0.0	0.0	0.0	0.0	61.5	100
Unknown	--	--	--	--	--	--	
<u>Number of Dependents</u>							
None	41.1	1.1	5.1	3.0	1.7	48.1	100
One	23.1	0.0	15.4	0.0	7.7	53.8	100
Two	28.6	0.0	0.0	14.3	0.0	57.1	100
Three or More	40.0	0.0	0.0	0.0	0.0	60.0	100
Unknown	12.5	0.0	12.5	0.0	0.0	75.0	100
<u>Race/Ethnic Group</u>							
White/Non-Spanish	39.2	0.9	4.4	3.0	1.8	50.7	100
White/Spanish	37.5	6.3	18.8	0.0	6.3	31.3	100
Black	51.4	0.0	14.3	2.9	0.0	31.4	100
Other	40.0	0.0	0.0	5.0	0.0	55.0	100
Unknown	--	--	--	--	--	--	
<u>Education</u>							
Non-High School Graduate	28.6	14.3	7.1	0.0	0.0	50.0	100
High School Graduate or GED	41.9	0.7	5.4	3.0	1.9	47.0	100
1 Year College or More	30.8	0.0	4.6	3.1	1.5	60.0	100
Unknown	33.3	0.0	0.0	0.0	0.0	66.7	100

(Continued)

Table 3.50. VEAP Participant Frequency Distribution:
Selected Demographic Characteristics by Contributory Level (Continued)
(January-December 1977)

Service: Air Force

SELECTED DEMOGRAPHIC CHARACTERISTICS	Frequency Distribution (Percent)*						TOTAL
	Contributory Level (Dollars)						
	50	55	60	65	70	75	
<u>Median Income</u>							
Less than \$6,000	45.5	0.0	0.0	9.1	9.1	36.4	100
\$6,000-\$7,999	42.9	0.0	7.9	3.2	1.6	44.4	100
\$8,000-\$9,999	41.1	1.3	6.0	2.0	1.3	48.3	100
\$10,000-\$11,999	40.2	1.5	3.0	3.0	2.3	50.0	100
\$12,000-\$14,999	34.6	1.2	8.6	4.9	2.5	48.1	100
\$15,000-\$24,999	61.1	0.0	0.0	0.0	0.0	38.9	100
\$25,000 or more	--	--	--	--	--	--	
Unknown	33.3	0.0	3.9	2.0	0.0	60.8	100
<u>Age at Entry</u>							
17 years or less	52.0	0.0	8.0	2.0	0.0	38.0	100
18 years	35.0	0.7	5.7	2.1	2.9	53.6	100
19 years	41.5	1.9	4.7	5.7	0.9	45.3	100
20 years	43.9	1.5	1.5	1.5	0.0	51.5	100
21 years	36.2	0.0	5.2	3.4	3.4	51.7	100
22 years or Older	39.5	1.2	7.0	2.3	2.3	47.7	100
Unknown	9.0	0.0	0.0	0.0	0.0	100.0	100

* Percentages may not add due to rounding.

SOURCE: Data derived from DoD Master and Loss File, USAREC First Examination and Accession File, Air Force Accounting and Finance Center Blanket Company Voucher, and 1970 Census of Population Fifth Count File (Zip Code Extract).

Appendix AVeterans Administration: Documentation

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Department of Veterans Benefits
Veterans Administration
Washington, D. C. 20420

DVB Circular 20-77-25
Appendix A, Revised
February 28, 1978

CHAPTER 32
REFUND AND PAYMENT PROCEDURES

1. Purpose. This appendix provides procedures for handling requests for refunds and temporary procedures for processing applications for benefits from veterans who participated under the chapter 32 program, referred to by the service departments as the (Post-Vietnam Era) Veterans' Educational Assistance Program (VEAP); (38 U.S.C. 1623 and 1631).

2. General. The service departments have transferred to the VA all prior contributions to this program which they had been holding pending conversion to an automated system. Therefore, all current requests for refund will be processed through the VA in order to effect payment. VA Form 4-5281, Notice of Disenrollment and Application for Funds Deposited in Post-Vietnam Era Veterans Educational Assistance Program, has been distributed to the service departments and all VA regional offices for immediate use.

3. Refund Procedures

a. Participants on Active Duty

(1) Active duty personnel wishing to disenroll from the chapter 32 program should initiate their requests for disenrollment and refund of contributions through their commanding officer by completion of VA Form 4-5281.

(2) Servicepersons who have contributed less than 12 consecutive months will be disenrolled only upon approval of the commanding officer or other approving official designated by the service department. Such a request for disenrollment and refund can be approved only for hardship.

NOTE: A serviceperson who is experiencing financial hardship may also suspend contributions without losing entitlement or obtaining a refund.

(3) The completed VA Form 4-5281 will then be forwarded to the serviceperson's installation Finance Officer for completion and subsequent mailing to the DPC Hines for payment. All service departments have been notified of these instructions and have issued directives to their appropriate activities.

February 28, 1978

b. Participants Not on Active Duty. Personnel in the Finance and Veterans Services Divisions should be acquainted with the following procedures to advise applicants not on active duty of the actions necessary for their completion of VA Form 4-5281 for disenrollment and refund:

(1) VA Form 4-5281 will be provided in triplicate to applicants requesting refund of contributions to the program. The applicant should be informed to complete the VA Form 4-5281 and, after notarization, return in triplicate to the regional office with a copy of his or her DD Form 214, Report of Separation From Active Duty.

(2) Those applicants appearing in person at the regional office may have the VA Form 4-5281 completed and, in lieu of notarization, certified by selected personnel from the Veterans Services Division who have been designated this responsibility by the Veterans Services Officer.

(3) All applications will be routed to the Finance activity with the DD Form 214 attached. The application will be reviewed to insure that it is properly completed and that the applicant's address is legible. The Finance Officer will verify the contents of the application by completing items 17, 18, and 20. Item 20 should include the three-digit station number.

NOTE: "FOR VA USE ONLY" segment will not be completed by the regional office. This segment is for DPC Hines use only.

(4) The Finance activity will establish a log and file containing a copy of the VA Form 4-5281 and DD Form 214. The log will contain the name, SSN, branch of service, date application received, and date forwarded to DPC Hines. This information will be retained in order to respond to possible inquiries.

(5) The third copy will be returned to the applicant with a brief statement that the request for refund has been approved for payment

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Appendix A, Revised

(6) The original application and attached DD Form 214 will be mailed to:

Veterans Administration (201/35B)
Data Processing Center
P. O. Box 66303
AMF O'Hare, Illinois 60666

c. Questions concerning the receipt and processing of chapter 32 refund applications should be directed by telephone to Central Office (047C2) on FTS number 389-5216.

4. Benefit Procedures

a. General. Participants on active duty are not eligible for benefit payments during their first obligated period of service (with the exception of PREP during the last 6 months). Therefore, eligibility will arise in only a very limited number of cases within the first few years of the program. The following are the most likely situations:

(1) A participant with less than 181 days on active duty is discharged for a service-connected disability (note potential eligibility to chapter 31 benefits).

(2) A participant with 181 days or more on active duty is discharged under conditions other than dishonorable before completion of his or her enlistment period.

b. Applications and Other Forms. Until application forms for chapter 32 are available, a claimant should complete VA Form 22-1990 and annotate it plainly with the words "CHAPTER 32". Other chapter 34 forms will be used as needed and will also be clearly annotated with "CHAPTER 32".

c. Chapter 32 Computer Processing. Modifications to existing computer systems are currently being designed and implemented in order to be able to handle chapter 32 processing.

(1) Processing in BIRLS (Beneficiary Identification and Records Locator Subsystem) and in VADS (Veterans Assistance Discharge System) is to be made as if the veteran were covered under chapter 34.

NOTE: The VADS-generated VA Form 22-1990V, Notice of Eligibility, Application, and Enrollment Certification, is not issued to veterans with an EOD date after December 31, 1976.

February 28, 1978

(2) In no event will input to the education system be made until system modifications are installed and procedures are published.

CAUTION: Attempting to process a chapter 32 award in the education system will result, among other things, in erroneous payments, entitlement computations, award letters and accounting transactions.

d. Adjudication of Claims. Due to the limited number of expected applications, detailed procedures are not being published at this time. If an application is received and potential eligibility exists, contact Central Office (224B) by telephone (FTS No. 389-2771) for assistance.

5. RESCISSIONS: Change 1, dated December 6, 1977, and appendix A, dated September 7, 1977, to DVB Circular 20-77-25.



DOROTHY L. STARBUCK
Chief Benefits Director

Distribution: CO: RPC 2900
 FLD: RPC 2223, plus 10 additional copies
 for Finance in ROA; VBC and VROC, 1 each
 DVBE; 1 each
 EX: HNSO and AR 1 each

Interagency Agreement
between the
Veterans Administration
and the
Department of Defense

Title: Interagency Administration of the Post-Vietnam
Era Veterans' Educational Assistance Program

Authority: PL 94-502, Title IV, Post-Vietnam Era Veterans'
Educational Assistance Act of 1977 (38 U.S.C.,
Chapter 32).

Contents:

- Article I.** Purpose of Agreement
- Article II.** Background
- Article III.** Procedures For Implementing Chapter 32
Transfer of Funds
- Article IV.** Mechanisms for Continuing Liaison
- Article V.** Amendments
- Article VI.** Names and Addresses of Participating
Agencies and Service Departments
- Article VII.** Authority

Article I. Purpose of Agreement

This is an agreement between the Veterans Administration (VA) and the Department of Defense (DOD) for the administration of the Post-Vietnam Era Veterans' Educational Assistance program.

This agreement establishes policies (1) for the transfer of funds between DOD and VA which have been collected from servicepersons' military pay or have been contributed by DOD for the servicepersons for deposit to the Post-Vietnam Era Veterans' Educational Assistance account, and (2) for the exchange of administrative data necessary to maintain the program.

The funds collected from servicepersons or contributed by DOD will be forwarded by the various service departments* directly to the VA, who will administer and control them. The administrative procedures relating to the data exchange requirements are defined in this agreement. The coordination of service department actions as defined in this agreement will be under the direction of DOD.

Article II. Background

On October 22, 1976, a meeting was held between interested parties of the Department of Defense and the VA to coordinate policies relative to implementation of the provisions of PL 94-502, section 404, entitled "Chapter 32 - Post-Vietnam Era Veterans' Educational Assistance Program." The representatives at this meeting expressed total agreement that steps were to be taken in the immediate future for coordination of implementing procedures. Subsequent formal and informal conferences between selected representatives of DOD, the various service departments and the VA have lead to the development of formalized procedures contained in this memorandum of understanding.

Article III. Procedures for Implementing Chapter 32 Transfer of Funds

A. Data Exchange Requirements

1. The service departments will provide VA with the personnel and financial data required for establishing and maintaining veterans' accounts. These data will be provided

*References to service departments include: Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration and Public Health Service.

monthly on magnetic tape. The tape specifications and the input transaction formats with narrative descriptions are provided in Supplement 1.

2. The VA will provide the service departments with error and action messages which result from processing their input tapes. These messages will be printed and returned to the appropriate service department Finance Centers. Also an account statement for each participant will be provided each service department annually for distribution with leave and earnings statements. Supplement 2 describes the error and action messages.

B. Refund Procedures for Active Duty Personnel

1. The procedures for refund of contributions held in the "Post-Vietnam Era Veterans Educational Account" have been established as required in Part III of title 38, U.S.C., Chapter 32, section 1623.

2. Supplement 3 covers the procedures which will be taken by the service departments for those participants remaining on active duty who wish to disenroll from the Chapter 32 program and, at the same time, request refund of those contributions which they have made to the fund.

C. Notice of Chapter 32 Participation Upon Discharge or Release from Active Duty

Each service department will provide a statement in "Remarks" on the current DD Form 214 (or other form) as follows: "The individual (did)(did not) contribute to Post-Vietnam Era Veterans Educational Assistance Program." Upon revision of the DD Form 214 (or other form), the following statement should be printed providing blocks for a positive or negative response: "Did individual contribute to Post-Vietnam Era Veterans Educational Assistance Program (Chap. 32, Title 38 U.S.C.)?"

Article IV. Mechanisms for Continuing Liaison

A. Questions regarding problems encountered during normal processing which require a response for clarification in order to complete current actions will be referred directly to area of responsibility. Those areas of responsibility will be referenced in Attachment I. Each inquiry will be annotated for future reference by both parties.

B. Problems Relating to Format Procedures

Inquiries received by either party relating to an inability to comply with existing instructions, or relating to a suggested change to existing instructions will receive immediate attention as defined in Article V below.

Article V. Amendments

A. Amendments to Basic Agreement

The body of the agreement or any of its specific provisions may be revised or amended only by the signature approval of the parties signatory hereto or their respective successors.

B. Amendments to Supplements

The supplements are an integral part of this agreement. Amendments to these supplements may be made only by the signature approval of the designated representatives of the parties signatory hereto or their respective successors. These designated representatives are listed in Attachment 2.

C. Amendments to Attachments.

The attachments are not an integral part of the agreement but provide additional information necessary or useful to the implementation of the agreement. Amendments to the attachments may be made without signature approval of the parties signatory hereto.

Article VI. Names and Addresses of Participating Agencies:

Veterans Administration	Department of Defense
810 Vermont Avenue, NW	Pentagon
Washington, D.C. 20420	Washington, D.C. 20301

Participating Service Departments

- U. S. Army
- U. S. Navy
- U. S. Air Force
- U. S. Marine Corps
- U. S. Coast Guard
- National Oceanic & Atmospheric
Administration
- Public Health Service

Article VII. Authority

This agreement is entered into under the authority of PL 94-502, Title IV, Post-Vietnam Era Veterans' Educational Assistance Act of 1977 (38 U.S.C., Chapter 32).

Approved and Accepted For the
Veterans Administration

Name: *Dorothy L. Starbuck*
DOROTHY L. STARBUCK

Title: Chief Benefits Director

Approved and Accepted For the
Department of Defense

Name: *John Greenberg*

Title: Deputy Assistant
Secretary of Defense

Approved and Accepted For the
U.S. Coast Guard

Name: *Robert A. Duin*
ROBERT A. DUIN

Title: Rear Admiral, U.S. Coast Guard
Comptroller

Approved and Accepted For the
Public Health Service

Name: *William L. West*
WILLIAM L. WEST

Title: PHS Representative

Approved and Accepted For the
National Oceanic and Atmospheric
Administration

Name: *Thomas J. Lauer*
THOMAS J. LAUER

Title: NOAA Representative

Supplements:

1. Input From DOD to VA
2. Output From VA to DOD
3. Refund Procedures for Active Duty Participants

Attachments:

1. List of VA DPC and Service Department Points of Contact for Normal Business
2. List of VA and DOD Designated Representatives for Amending Supplements

Supplement 1 - Input from DOD to VA

I. Introduction

A. Tape Specifications

1. 9 track, 1600 BPI.
2. Standard IBM (360/370-OS) Header and Trailer records.
3. IBM EBCDIC.

B. The transactions will be blocked, 50 to a block. Each block will begin with a 4-byte block length and each record within the block will be preceded by a 4-byte record length. Numeric fields will be in packed decimal format.

C. Due to equipment differences, Army and Coast Guard cannot provide packed or variable length records. Therefore, until these differences can be solved, their input will vary from the specifications as follows:

1. Records will be unpacked and fixed length, 245 characters. Transactions which are less than 245 characters will be padded with blanks. In order for the block of records to be divisible by 4, 10 extra blanks will be added to the end of every block, making the block length a total of 12,260 characters.

2. Tapes will be unlabeled, 9 track, 800 BPI.

D. Tape transaction sequence will be transaction code within double terminal digit (00 through 99) of file number. For any one file number on an input tape, there will be only one Establishment, Allotment Termination or Recurring Monthly Allotment transaction; the other transactions may occur more than once.

E. The same file number cannot be used for more than one participant. Should such an error occur, appropriate messages will be released to the service departments requesting verification and correction of the file number they are using.

F. Eight transactions, for which descriptions follow, will be used to establish and maintain participant's accounts. Seven of these transactions will directly affect the accounts of participants, the eighth is a summary transaction which will reflect the transactions on each monthly input tape. The seven transactions which can affect participants' accounts are:

1. Correction (85)
2. Establishment (18, or 11 and 12)
3. Retroactive Adjustment (35)
4. Recurring Monthly Allotment (48)
5. DOD Contribution (45)
6. Allotment Termination (58)
7. Proceeds Release (38).

II. ESTABLISHMENT TRANSACTION

A. Purpose. This will be the initial transaction presented to the VA for a participant. It will initiate a master record in the Chapter 32 banking system. It will also be used to resume suspended accounts and to reenroll participants.

B. Processing Considerations.

1. Some branches of service cannot provide both personnel data and financial data at the same time. The transaction code will be used to distinguish those transactions which have partial data from those which are complete.

<u>Code</u>	<u>Data</u>
10	Personnel & Financial Data
11	Personnel Data Only
12	Financial Data Only

It is anticipated that the Establishment transaction containing financial data only (Trans code 12) will be received first from those services with separate financial and personnel systems. An error segment diary will be established in the master record for the missing data, normally the personnel data. This will result in the generation of messages to the appropriate service department beginning in the second processing month after establishment of the master record. Example: The January tape establishes a partial master; if the master record has not been updated after the March tape has been processed, a message will be generated.

2. It will be assumed that a resume or reenrollment is intended when an Establishment Transaction (Trans code 10 or 12) is received for a suspended master record, unless it was suspended for death or retirement. In this situation the monies transmitted by the Establishment Transaction will be put into a proceeds segment and a message will be generated to the appropriate service department.

3. The following data fields must be coded to prevent the transaction from rejecting: Branch of Service, File Number, Stub Name, Payee Number, and Transaction Code. If any of the remaining data fields are left blank, a message will be generated to the appropriate service department and a correction transaction will be required.

1S1-3

Revised 7/29/77
A-15

C. Format and Edits.

1. Dates - All dates must be in year, month, day order (or year, month order in the case of 4 position fields.) The year may be any two numerics; the month must equal $\beta 1$ through 12. If the month equals $\beta 1$, $\beta 3$, $\beta 5$, $\beta 7$, $\beta 8$, 1 β or 12, the day must equal $\beta 1$ through 31. If the month equals $\beta 2$ and the year is evenly divisible by 4, the day must equal $\beta 1$ through 29; if the month equals $\beta 2$ and the year is not evenly divisible by 4, the day must equal $\beta 1$ through 28. For all other months, the day must equal $\beta 1$ through 3 β . This edit applies to all transactions which contain dates.

2. Branch of Service - One position code. The standard DOD codes will be used. This field cannot be a blank.

3. File Number - The file number (SSN) is a 9-digit numeric. It will be in straight order. The first digit cannot equal 6, 8 or 9; nor can the number equal $\beta\beta\beta\beta\beta\beta\beta\beta\beta$. Each service department must provide an edit to prevent duplicate accounts under one file number. This field cannot be blank.

4. Stub Name - The stub name must contain the first and middle initials and the first five characters of the surname of the participant. If the participant has no middle name or initial, the second position may be blank. The surname must have at least one character, positions 4-7 may be blank. This field cannot be all blank; it must have at least two characters in positions 1 and 3. The stub name must be all alpha characters unless there is no first name. In the event that the participant's last name fills the service department's name field, or there is no first name of record, an asterisk will be inserted in position 1. The appearance of this special character will restrict the stub name portion of the match of the transaction to the master record to the last name.

4A. Payee Number - A two-position field that will be all zeroes.

5. Transaction Code - A two position numeric code which cannot be blank;

Code

- 1Ø - The transaction contains both personnel and financial data.
- 11 - The transaction contains data from the personnel system only.
- 12 - The transaction contains data from the finance system only.
6. Name - A 30-position alpha field which cannot be all blank. The name must be in the following order: Last name, comma, first name, space, middle initial, comma, suffix. The suffix may equal JR, SR, I, II, III, and IV. If the name is less than 30 characters, the remainder of the field may be blank.
7. Date of Birth - A six-digit numeric in year, month, day order. The first EOD minus the Date of Birth must be equal to or greater than 16 years. If the Transaction Code is 12, this field will be blank.
8. Pay Grade - The two-position pay grade at enrollment will be alpha in the first position; E, W or O; and numeric in the second position. If the first position is E, the second position may be 1-9. If the first position is W, the second position may be 1-4. If the first position is O (alpha), the second position may be Ø-9; 0-1Ø will be entered as 0Ø. If the Transaction Code is 12, this field will be blank.
- 8A. Marital Status - A one character code indicating marital status at enrollment: M=married, S=single, O=other (divorced, widowed, separated, etc.). If the Transaction Code is 12, this field will be blank.
9. Sex - A one-position alpha code; M for male, F for female. If the Transaction Code is 12, this field will be blank.
10. Race - A one-position code. The standard DOD codes will be used. If the Transaction Code is 12, this field will be blank.
11. Education level at enrollment - A one-position code. The standard DOD codes will be used. If the Transaction Code is 12, this field will be blank.
12. Place of Entry - The standard DOD two-position numeric state code of legal home of record. If the Transaction Code is 12, this field will be blank.

13. First EOD - The first EOD must be the six-digit numeric date that the participant initially entered on active duty in any of the armed forces of the United States. The 1st EOD must be equal to or greater than 770101. (No computer edit will be established to screen out individuals who entered on active duty during 1977 as a result of an agreement under the Delayed Entry Program. It is expected that sufficient controls will be established by each service department to prevent individuals, who are not entitled to benefits under chapter 32 from establishing a chapter 32 allotment.) If the day is unknown, substitute the first of the month. If the Transaction Code is 12, this field will be blank.
14. Obligated Service Completed - This may be a projected date or a confirmed date, if passed. The obligated service completed date must be greater than the 1st EOD. It is understood that six years of active service will be used for regular officers. If the day is unknown, substitute the last day of the month. If the Transaction Code is 12, this field will be blank.
15. Current EOD - The current EOD must be a six-digit numeric date. For first term personnel the current EOD will equal the 1st EOD. If the day is unknown, substitute the first of the month. If the Transaction code is 12, this field will be blank.
16. Total Amount - The total amount of the service person's contribution forwarded at the time of initial establishment must be shown in this six-position field (which includes dollars and cents.) If the establishment is current, the total amount will equal the Monthly Allotment amount. If it is a retroactive Establishment covering two or more allotment months, it will be the sum of the allotments covered in the transaction. If the Transaction Code is 11, this field will be blank.
17. Segment Indicator - This one-position field will equal 1 thru 9, depending on the number of monthly allotment segments in the transaction. If the Transaction Code is 11, this field will be blank.
18. Begin Date - The begin date is the effective year and month of a service person's first contribution. It must be equal to or greater than 7701. It cannot be earlier than the 1st EOD nor can it fall in a period during which the service person was not on active duty. If the Transaction Code is 11, this field will be blank.

19. End Date - The end date is the date through which the initial allotment amount has been paid. If the establishment is on a current basis, the begin date will equal the end date. If the establishment is retroactive, the end date will generally be greater than the begin date. The end date of the final segment cannot be greater than the current allotment month. If the Transaction Code is 11, this field will be blank.

20. Monthly Allotment - The monthly allotment must equal 05000 (\$50), 05500 (\$55), 06000 (\$60), 06500 (\$65), 07000 (\$70), or 07500 (\$75). If the Transaction Code is 11, this field will be blank.

21. Additional Allotment Segments - If a retroactive allotment is established and includes two or three different monthly allotment rates, it is possible to include changes up to the current allotment month by repeating the Begin Date - End Date - Monthly Allotment segment.

EXAMPLES;

(a) Current allotment of \$50 effective
January, 1977. (allotment tapes for January)

Total Amount: 005000
Begin Date: 7701
End Date: 7701
Monthly Allotment: 05000

(b) Retroactive allotment of \$75 effective
January, 1977. (Allotment tapes for March, 1977)

Total Amount: 022500
Begin Date: 7701
End Date: 7703
Monthly Allotment: 07500

(c) Retroactive allotment of \$50 effective
October 1977, with increase to \$75 effective
January, 1978. (Allotment tapes for
January, 1978)

Total Amount: 022500
Begin Date: 7710
End Date: 7712
Monthly Allotment: 05000
Begin Date: 7801
End Date: 7801
Monthly Allotment: 07500

ESTABLISHMENT TRANSACTION - 85 TO 157 BYTES

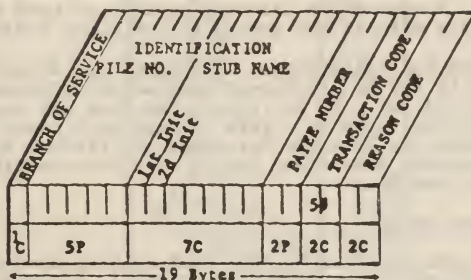
OF SERVICE	IDENTIFICATION FILE NO.	STUB NAME	NAME	DATE OF BIRTH	PAY GRADE	MARITAL STATUS	RACE	EDUC LEVEL AT ENROL	PLACE OF ENTRY	FIRST EOD	COMPLETED DATE	CURRENT EOD
7C	2P	2C	30C	4P	1	1	1	1	1	1	1	4P
5P	7C	2P	2C	30C	4P	1	1	1	1	1	1	4P

TOTAL AMOUNT	1 - 9
ALLOTMENT BEGIN DATE	ALLOTMENT END DATE
ALLOTMENT AMT.	ALLOTMENT DATA SECS.
SEGMENT INDICATOR	
4P	3P
5P	3P

Establishment Transaction has data in the following fields when the Transaction Code is:

Branch of Service	10	11	12	Educ Level at Enroll	10	11	12
File Number	x	x	x	Place of Entry	x	x	x
Stub Name	x	x	x	First EOD	x	x	x
Paysee Number	x	x	x	Ob. Svc. Compl.	x	x	x
Transaction Code	x	x	x	Current EOD	x	x	x
Name	x	x	x	Total Amount	x	x	x
Date of Birth	x	x	x	Segment Indicator	x	x	x
Pay Grade	x	x	x	Begin Date	x	x	x
Marital Status	x	x	x	End Date	x	x	x
Sex	x	x	x	Monthly Amount	x	x	x
Race	x	x	x				

III. ALLOTMENT TERMINATION TRANSACTION



- A. Purpose. This transaction will suspend a Chapter 32 master record. It will be generated whenever the service department wants to prevent the further updating of a record's contribution total or allow processing of a refund. It must be submitted the first month that a recurring allotment transaction is not generated for an account.
- B. Processing Considerations. The distinction between suspending participation and disenrolling from participation must be made because it affects entitlement to benefits. The five reason codes being provided by DOD do not make this distinction clear (except in the case of "death" which is automatic disenrollment). Therefore suspension is being assumed until a request for refund is received. Processing the refund will disenroll the participant.
- C. Format and Edits.
1. Branch of Service, File Number, Stub Name and Payee Number - See paragraphs IIC2, 3, 4 and 4A above for description.
 2. Transaction Code - This two-position code will equal 5P.
 3. Reason Code - The following reason codes will be provided when an allotment is terminated: RE = Retired, DD = Deceased, AL = AWOL, DS = Discharged, MR = Member's Request.

IV. CORRECTION TRANSACTION

- A. Purpose: A correction transaction will be used to correct any data in the record except money fields.
- B. Processing Considerations: The Correction Transaction is keyed to the Establishment transaction (Transaction Codes 10 and 11). It is recommended that any corrections of identification data - file number, stub name, name - be completed in both the Personnel and Finance systems of the service department before such a correction is passed to the VA.
- C. Format and Edits
1. Branch of Service, File Number, Stub Name and Payee Number - See paragraphs IIC2, 3, 4 and 6A above for description. If any of these fields are being corrected, the incorrect data is shown here in order to identify the master record that will be changed.
 2. Transaction Code - This two-position code will equal 05.
 3. Corrected Identification Data - Each of these fields may be corrected individually. The corrected data must meet the same edit requirements for that field as in the Establishment transaction.
 4. Name Correction - The new name must meet the edits specified in paragraph IIC6 above.
 5. Segment Indicator - This field will contain the number of corrections and will equal zero through nine. The number of corrections are those reflected by the Field Identifier Number and in the Correct Field. If the number of corrections is zero, the transaction will end at this point.
 6. Field Identifier Number - This field will equal from 1 through 18. The fields and their identifying numbers are as follows:

1 - Date of Birth	6 - Educ Level at Enroll
2 - Pay Grade	7 - Place of Entry
3 - Marital Status	8 - First EOD
4 - Sex	9 - Ob. Svd. Compl.
5 - Race	18 - Current EOD
 7. Correct Field - The data will begin in the first position of the field when fields 2 through 6 are being corrected. The edits specified in the Establishment transaction apply.

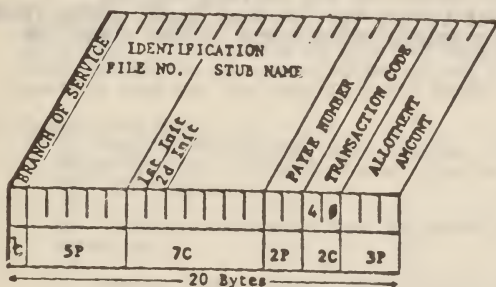
V. RETROACTIVE ADJUSTMENT TRANSACTION

- A. Purpose.** This transaction allows the correction of any participant's prior contributions by date. It may be used as a resume (return to active status) on accounts which were erroneously terminated. The transaction may result in the manipulation of funds within a record resulting in totals remaining stable; increasing the total contribution to date (DOD transfers funds to the VA); or decreasing the total contribution to date (the VA transfers funds to DOD).
- B. Processing Considerations.** Both this transaction and an Establishment transaction can be used to resume a suspended account. However, if an account was suspended erroneously it would be preferable to use this transaction to resume. This would eliminate any potential messages back to the service department.
- C. Format and Edits.**
1. Branch of Service, File Number, Stub Name and Payee Number - See paragraphs IIC2, 3, 4 and 4A above for description.
 2. Transaction Code - This two-position code will equal 35.
 3. Reason Code
 - a. This two-position code will indicate whether the transaction is making changes in money amounts only, is resuming from an erroneous suspension, or is resuming an account suspended by VA when no transaction (monthly allotment or allotment termination) was received. This transaction will be used to resume from a VA suspension only when an error message from VA was previously received. If the transaction is being used to resume an erroneously suspended account, the same reason code that was used in the Allotment Termination transaction should be used.
 - b. The seven reason codes are as follows:

Money changes only	= OT
Resume from VA suspend	= NM
Resume from error suspend	= RE (Retired)
	DD (Deceased)
	AL (AWOL)
	DS (Discharged)
	MR (Member's Request)

4. Due VA - The net amount due the VA fund should be shown in this 7-position field (dollars and cents). This amount must be included with the monies sent the VA.
5. Due DOD - The net amount due DOD should be shown in the 7-position field (dollars and cents). This amount will be refunded, in order, by the VA. It must not be balanced against the funds due the VA as a result of other accounts.
6. Segment Indicator - This one-position field will equal 1 to 9 depending on the number of adjustment segments in the transaction.
7. Begin Date - Show the year and month the allotment adjustment is to begin.
8. End Date - Show the year and month through which the adjustment should be applied. If the adjustment is for one month only, the End Date will equal the Begin Date, otherwise, the End Date will be greater than the Begin Date. The End Date must not be greater than the current allotment month.
9. Change in Allotment - This five-position field represents the monthly amount to be added or subtracted from the existing allotment for the indicated months. Use a positive entry to indicate an increase and a negative entry to indicate a decrease. The increase or decrease cannot exceed \$75. All changes must be in multiples of \$5.00.
10. Additional Adjustment Segments - The preceding segment (Begin Date, End Date, Change in Allotment) may be repeated 8 additional times. Each segment represents an adjustment for an inclusive period of time.

VI. RECURRING MONTHLY ALLOTMENT TRANSACTION



- A. **Purpose.** This transaction will transfer allotment payments each month on a current basis for each participating servicemember. This transaction will also be used for current changes, i.e., increases or decreases in the allotment when no months are missed.
- B. **Processing Considerations.**
1. An Establishment Transaction must be received before a Recurring Monthly Allotment Transaction can be properly processed. If a master record has not been established before this transaction is received, an abbreviated master will be established to account for the monies transferred and an error message will be generated to the appropriate service department.
 2. A Recurring Monthly Allotment Transaction, except initial month of establishment, must be submitted to the VA every month unless the account is suspended. (See Allotment Termination Transaction discussion.) Every account not in suspense must have a transaction process every month, e.g., a payment, a retroactive adjustment, or a suspense. If none, the account will be automatically suspended with notification of this action sent to the appropriate service department. Only one of three transactions can change this suspended status--retroactive adjustment, termination, or establishment.
- C. **Format and Edits.**
1. Branch of Service, File Number, Stub Name and Payee Number - See paragraphs IIC2, 3, 4 and 4A above for description.
 2. Transaction Code - This two-position code will equal 40.

3. Allotment Amount - This five-position field must reflect the actual amount of the current monthly allotment forwarded to the VA. It must equal 05000 (\$50), 05500 (\$55), 06000 (\$60), 06500 (\$65), 07000 (\$70), or 07500 (\$75).

VII. DOD CONTRIBUTION TRANSACTION

- A. **Purpose.** The DOD Contribution transaction will be used to establish all DOD contributions by date and service department. It will also be used for adjustments of DOD's contribution in the same fashion as the retroactive adjustment is used for the participant's funds.
- B. **Format and Edits.**
1. Branch of Service, File Number, Stub Name and Payee Number - See paragraphs IIC2, 3, 4 and 4A above for description.
 2. Transaction Code - This two-position code will equal 45.
 3. Reason Code - Insert ES to establish a contribution; IN to increase one already of record; or DE to decrease a contribution of record.
 4. DOD Contribution or Change Amount - A seven-position amount field. When the reason code is ES it is the amount forwarded by the service department for the use of the participant. When the reason code is IN it is the amount by which a previously established contribution is to be increased. When the reason code is DE it is the amount by which a previously established contribution is to be decreased.
 5. Divisor - A two-position numeric greater than 99. It indicates the number of months over which the contribution amount is to be applied.
 6. Contribution Date - The effective date of the transfer of the DOD contribution to VA. (see paragraph IC1 for date edit requirements.) Where the reason code is IN or DE, the date must be equal to the date of a contribution in the VA master record.
 7. DUE VA - A seven-position numeric. Where the reason code is ES or IN, it must be equal to the amount shown in the Contribution field. If the reason code is DE it must be all zeroes.
 8. Due DOD - A seven-position numeric. Where the reason code is ES or IN, the field must be all zeroes. Where the reason code is DE, it must be equal to the amount shown in the contribution field.

VIII. PROCEEDS RELEASE TRANSACTION

- A. Purpose.** This transaction will be used to inform the VA of the disposition of funds which cannot be allocated based on information in the master file. It will be provided in response to an error message previously received from VA.
- B. Processing Considerations.** A Proceeds Segment will be established in the master record when money is received which cannot be used to update a participant's contribution. When this occurs, normally an error message will be released to the appropriate service department which, in turn, will take the necessary corrective action, including a Proceeds Release transaction to distribute the funds. Some of the situations which could result in the establishment of a Proceeds Segment are as follows:
1. A Recurring Monthly Allotment transaction is received which puts the participant's contribution over \$2700.
 2. A Recurring Monthly Allotment transaction is received and there is no matching master record.
 3. An Establishment transaction is received and the master record was previously suspended for death or retirement.
 4. A Recurring Monthly Allotment is received after a refund has been processed.
 5. A refund check is returned.
- C. Format and Edits.**
1. Branch of Service, File Number, Stub Name and Payee Number - See paragraphs IIC2, 3, 4 and 4A above for description.
 2. Transaction Code - This two-position field will equal 3Ø.
 3. Type, Reason, Amount and Date - This 15 byte segment will contain identification data provided in the VA's error message.
 4. Amount Returned to DOD - A seven-position numeric field which represents the portion of the applicable proceeds segments which is to be returned to DOD.

5. Amount Retained by VA - A seven-position numeric field which represents the portion of the applicable proceeds segment which is to be applied to the contribution total of the participant.

6. Begin Date - (1 - 9) - Show the effective date the distribution amount is to be applied.

7. End Date - (1 - 9) - Show the last date the distribution amount is to be applied.

8. Distribution Amount - (1 - 9) - A seven-position numeric field which represents the portion of the applicable proceeds segment which is to be added to the contribution amount for specific month.

D. The Proceeds Release transaction must be balanced as follows:

Total of proceeds segment (from ID area) = Amount returned to DOD + Amount retained by VA (Distribution amount(s) X number of months applicable).

PROCEEDS RELEASE - 47 BYTES

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BRANCH OF SERVICE		IDENTIFICATION		PAYEE NUMBER		TRANSACTION CODE		REASON		AMOUNT		DATE		AMOUNT		RETURNED		TO DOD		BY VA		NO. OF DIST.		SEGS		DISTRIBUTION		1 - 9	
FILE NO.	STUB NAME	TYPE	TRANSACTION CODE	TYPE	REASON	AMOUNT	DATE	AMOUNT	DATE	TO BE TO BE	TO BE TO BE	TO DOD	BY VA	NO. OF DIST.	SEGS	NO. OF DIST.	SEGS	TO DOD	BY VA	NO. OF DIST.	SEGS	TO DOD	BY VA	NO. OF DIST.	SEGS	TO DOD	BY VA	NO. OF DIST.	SEGS
10c	12c	13c	14c	15c	16c	17c	18c	19c	20c	21c	22c	23c	24c	25c	26c	27c	28c	29c	30c	31c	32c	33c	34c	35c	36c	37c	38c	39c	40c
5P	7C	2P	2C	2C	4P	3P	4P	4P	4P	1P	4P	4P	4P	3P	3P	3P	3P	4P	4P	4P	4P	4P	4P	4P	4P	4P	4P	4P	4P

Revised 7/29/77
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IX. SUMMARY TRANSACTION

- A. Purpose. The Summary transaction indicates the number of transactions processed by category and certain monetary totals of the transactions. The final summary transaction is the control factor used by VA to (a) determine that all transactions sent were received and (b) all monies are accounted for. Files which do not balance will be returned to the service department for correction.
- B. Processing Considerations.
1. The Summary transaction may be used one or more times in the file. However, if the file is divided into segments with segment summaries, there must also be a final summary.
 2. If those service departments which cannot provide unified Establishment transactions, also cannot provide merged tapes, the input from the Personnel system will also include this Summary transaction.
- C. Format and Edits:
1. Branch of Service - This one-position field will contain the standard DOD code for the submitting service.
 2. File Number - This nine-position field will equal all nines (999999999).
 3. Blanks - Self explanatory
 - 3A. Nines - Self explanatory
 4. Transaction Code - This two-position field will equal 99.
 5. Date - This four-position numeric field will have the allotment processing year and month.
 6. Fields 7 through 24 are all numeric fields. They will be right justified, filled with leading zeroes and packed. If the Personnel System is providing a separate tape, fields which do not apply will be filled with zeroes.
 7. Each file will be balanced as follows (Refer to transaction layout for summary transaction):
 - (a) Accumulate all transactions by type for fields 9, 11, 13, 16, 19, 22, 23 and 24. The Grand total of these fields must equal field 7.

- (b) Field 8 will be the total of fields 10, 12, 14 & 17.
- (c) Fields 10 & 12 are the totals of the money amounts from the respective transactions.
- (d) Fields 14 & 17 are the sum of the monies due VA from Retroactive Adjustments and DOD Contributions, respectively.
- (e) Fields 15 & 18 are the sum of the monies due DOD from Retroactive Adjustments and DOD Contributions, respectively.
- (f) Field 20 - the total of all money retained by VA from proceeds.
- (g) Field 21 - Total of all money to be returned to DOD from proceeds.

SUMMARY TRANSACTION - 131 BYTES

2	3	4	5	6	7	8	9	10	11	12	
FILE NO. (NINES)	BLANKS	DATE	TOTAL TRANS DUE VA (CHECK AMOUNT)	TOTAL DUE VA (CHECK AMOUNT)	TOTAL ESTABLISH (10612)	NO. OF ESTABLISH (10612)	NO. OF ESTABLISH MONTHLY (10612)	TOTAL AMOUNT RECURRING MONTHLY ALLOT.	NO. OF RECURRING MONTHLY ALLOT.	TOTAL AMOUNT RECURRING MONTHLY ALLOT.	
BRANCH OF SERVICE		TRANSACTION		MINES							
9	9	9	9	9							
5P	7C	2P	2C	3P	8P	7P	6P	6P	6P	6P	6P

13	14	15	16	17	18	19	20	21	22	23	24
NO. OF RETRO ADJUST	TOTAL DUE VA FROM RETRO ADJUST	TOTAL DUE DOD FROM CONTRIBUTIONS	NO. OF DOD CONTRIBUTIONS	TOTAL DUE VA FROM DOD CONTRIBUTIONS	TOTAL DUE DOD FROM DOD CONTRIBUTIONS	NO. OF PROC. FROM RELEASE	TOTAL IN VA HANDS FROM PROC. RELEASE	TOTAL DUE DOD FROM PROC. RELEASE	NO. OF DOD TERMINATIONS (11)	TOTAL ALLOT. STAT. LISH (11)	NO. OF CORRECT
6P	6P	6P	6P	6P	6P	6P	6P	6P	6P	6P	6P

Supplement 2 - Output from VA to DOD

I. Introduction

- A. The following conditions must be met by any tape submitted to the VA for processing:
 1. Each transaction containing multiple monetary/segments must balance internally.
 2. All transactions must balance with the final summary transaction, which must agree with the check amount.
 3. All transactions must meet transaction format requirements.
- B. Any tape which fails to meet the requirements listed above will be returned to the appropriate service department. However other conditions which require correction but will not prevent balancing of the tape will result in error and action messages.

II. Error and Action Messages

- A. The Establishment Transactions (Types 11 and 12) will cause diaries to be established in the participants' master records. Every two months until the corresponding Establishment Transaction is received, a message including the participant's name and file number will be released to the appropriate service department. The message will state that Personnel/Allotment data has not been received for (file number, name) established (date).
- B. Transactions which fail to process properly or which contain edit failures will result in error messages. These messages will include the error message in text, the transaction and the master record, if available.
- C. Other action messages will be released as required to advise service departments of necessary action. These situations include:
 1. Duplicate file numbers
 2. Cumulative contributions have reached \$2500; this is a warning to terminate the allotment at a near future date.
 3. Cumulative contributions have reached \$2700; this is a request to terminate the allotment immediately and to request refund through a Proceeds Release transactions of any excess contributions.

Supplement 3 Refund Procedures for Active Duty Participants

I. The procedures for refund of contributions held in the "Post-Vietnam Era Veterans Educational Account" have been established as required in part III of title 38, U.S.C., Chapter 32, section 1623.

II. Service departments will provide VA Form 4-5281, Notice of Disenrollment and Application for Funds Deposited in the Post-Vietnam Era Veterans Educational Assistance Program (Figure I), to those servicepersons remaining on active duty who wish to disenroll from the Chapter 32 program and who are requesting refund of those contributions that they have made to the fund.

III. Parts I and II of VA Form 4-5281 will be completed by the serviceperson and, for those participants not having contributed for 12 consecutive months, will also be approved by a service department official as designated by that particular service department.

IV. After completion of parts I and II, VA Form 4-5281 will be forwarded to the applicants installation Finance Officer for completion of part III.

V. The Finance Officer will record in a log the date of receipt of the application. After completion of part III, the Finance Officer will retain the second copy for future reference. The third copy will be returned to applicant.

VI. Original copy will be forwarded to the Veterans Administration by mail to:

Veterans Administration (201/35B)
Data Processing Center
P.O. Box 66303
A.M.F. O'Hare, IL 60666

The date of mailing will be recorded in the log adjacent to date of receipt for future reference and verification of completed action.

VII. Inquiries concerning nonreceipt or questioned amount of refund will be forwarded to the installation Finance Officer for initial review and reply where possible. Any additional information required will be requested by contact with the appropriate liaison representative at the Veterans Administration Data Processing Center in Hines, IL.

Attachment 1 - List of VA DPC and Service Department Points
of Contact for Normal Business

- I. VA: Mr. August D. Michon
Chief, Finance Division
VA Data Processing Center
Austin, Texas 78772
(512) 734-7366
- II. Service Departments:
- A. U.S. Army: Mrs. Christine E. Totten
FINCD-A
USAFAC
Indianapolis, Indiana 46249
(317) 542-2144
- B. U.S. Navy LtCdr. Bob Holmes
Bureau of Naval Personnel
Pers - 3C22 - Room
Navy Department
Washington, D.C. 20270
(202) 694-2279
- Mr. T. Stultz
Navy Finance Center
Anthony J. Celebrezze Bldg.
Cleveland, Ohio 44199
(216) 580-5029
(FTS) 293-5029
- C. U.S. Air Force: Maj. Edward Basler (Finance)
AFAPC
Pentagon, Room 5D-543
Washington, D.C. 20330
(202) 695-3106
- Mr. George E. Karasik (Personnel)
USAF/FPPE
Pentagon, Room 4C-244
Washington, D.C. 20330
(202) 695-3285
- D. U.S. Marine Corps Mr. R.W. Tibbetts
Systems Management Division
Marine Corps Finance Center
Kansas City, MO 64197
(816) 926-5282

E. U.S. Coast Guard: Lt. Jim McEntire (G-PTE-1/72)
U.S. Coast Guard
Washington, D.C. 20590
(202) 426 - 9866

F. National Oceanic and Atmospheric
Administration:

Mr. Cotton Bowen
Commissioned Corps Personnel
Division
NOAA
NC-1
Rockville, MD 20852
(301) 443 - 8616

G. Public Health Service: Ms. Margaret Weigler
HEW North Bldg., Rm 1072
330 Independence Ave.
Washington, D.C. 20201
(202) 245 - 7365

**Attachment 2 - List of VA and DOD Designated Representatives
for Amending Supplements**

- I. Veterans Administration:** Director, Education and
Rehabilitation Service (22)
810 Vermont Avenue, NW
Washington, D.C. 20420
- II. Department of Defense:** Director, Postsecondary Education
Office of the Assistant Secretary
of Defense
Pentagon
Washington, D.C. 20301

VETERANS ADMINISTRATION
**NOTICE OF DISENROLLMENT AND APPLICATION FOR FUNDS DEPOSITED IN
POST-VIETNAM ERA VETERANS EDUCATIONAL ASSISTANCE PROGRAM**
(Chapter 32, Title 38, U.S.C.)

PRIVACY ACT INFORMATION: The information requested on this form is solicited under 38 U.S.C. 1623 (PL 94-502). This information is necessary to properly identify and refund the amount currently being held in the Post-Vietnam Era Veterans Education Account. Disclosure of information requested is voluntary. However, failure to provide this information may delay your refund payment. The information may be disclosed outside the VA as permitted by law, or as stated in the "Notices of Systems of VA Records" which have been published in the Federal Register in accordance with the Privacy Act of 1974.

IMPORTANT INSTRUCTIONS - Complete Part I and carefully read the instructions contained in Parts II and III. Failure to complete this form properly may result in delay of your refund.

FOR VA USE ONLY

BR. OF SVC.	FILE NUMBER	PERSON ENTITLED	PAYEE NO.	TRANS. CODE	DUTY STATUS	REA. CODE	STA. NO.	NO. OF ADJR. LINES	APPROVED BY
				9 6					

PART I - IDENTIFICATION DATA

1. NAME OF APPLICANT	2. SOCIAL SEC. NO.	3. BRANCH OF SERVICE	4. VA FILE NO. (If known)
5. MAILING ADDRESS OF APPLICANT		6. ADDRESS OF COMMAND (If on active duty)	
ZIP CODE ▶			

PART II - NOTICE OF DISENROLLMENT AND APPLICATION FOR REFUND

7. I request that I be disenrolled from the POST-VIETNAM ERA VETERANS EDUCATIONAL ASSISTANCE PROGRAM. I further request that all funds that I have contributed to this program be refunded to me. I realize that by this disenrollment I am forfeiting my entitlement to receive educational benefits under this program. If I am on active duty, I may again enroll in this program by establishing a payroll deduction and thereby reestablish entitlement to educational benefits. However, I will not be able to regain the amount of entitlement I have so far accrued upon refund of these funds.

8. REASON FOR DISENROLLMENT

PERSONAL HARDSHIP EDUCATION COMPLETED VOCATION OBTAINED OTHER (Specify)

FOR APPLICANTS ON ACTIVE DUTY	NOTE - The following signature block is to be completed only by applicants on active duty. Signature of Service Approving Official is required only upon disenrollment prior to completion of at least 18 monthly contributions to this program. Carefully read instructions in Part III after this portion is completed.			
	9. SIGNATURE OF APPLICANT	10. DATE	11. SIGNATURE AND TITLE OF SERVICE APPROVING OFFICIAL	12. DATE

FOR APPLICANTS NOT ON ACTIVE DUTY	NOTE: The following signature block is to be completed only by applicants not on active duty, and must either be witnessed by a Notary Public or certified by a VA official upon the applicant's personal appearance and presentation of valid identification at any VA regional office. Carefully read instructions to Part III after this portion is completed.			
	13A. SIGNATURE OF APPLICANT	13B. DATE	14A. SIGNATURE AND TITLE OF VA CERTIFYING OFFICIAL	14B. DATE
Sworn to and subscribed before me this _____ day of _____, 19____				
[SEAL]				
_____ Notary Public				
My commission expires _____				

PART III - CERTIFICATION

INSTRUCTIONS - Applicants on active duty should have Section A completed by the Finance Officer at his/her current installation. Applicants not on active duty should forward this form to the closest Veterans Administration Regional Office with a copy of DD Form 816, Notice of Discharge.

SECTION A - ON ACTIVE DUTY

SECTION B - NOT ON ACTIVE DUTY

I certify that I have reviewed this document and attachment and that payment or refund is proper.

15. SIGNATURE OF INSTALLATION FINANCE OFFICER	16. DATE	17. SIGNATURE OF VA REGIONAL FINANCE OFFICER	18. DATE
19. ADDRESS OF INSTALLATION		20. ADDRESS OF VA REGIONAL OFFICE	

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Appendix B

Department of Defense: Service Regulations

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• Navy	B-8
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CIRCULAR

No. 621-14

HEADQUARTERS
DEPARTMENT OF THE ARMY
WASHINGTON, DC, 9 March 1977*Expires 1 January 1978*

EDUCATION

POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE
(VEA) ACT OF 1977

1. Purpose. The purpose of this circular is to establish policy and assign responsibilities for the implementation and operation of the VEA program established by PL 94-502, 15 October 1976. PL 94-502 also amends other provisions of Title 38, USC ("GI Bill"); however, this circular pertains only to the Post-Vietnam Era Veterans' Educational Assistance Program established in chapter 32 of Title 38, USC. This circular will partially implement DOD Directive 1322.8, Voluntary Education Program, and will be incorporated into a future revision of AR 621-5.

2. Scope. This circular is applicable to personnel of all elements of the Active Army. The word "he" when used in this circular represents both the masculine and feminine genders, unless otherwise specifically stated.

3. Objectives. The overall objectives of the VEA program are to—

a. Provide educational assistance to men and women who enter the Armed Forces after 31 December 1976.

b. Assist young men and women in obtaining an education they might not otherwise be able to afford.

c. Promote and assist in maintaining a volunteer military force by attracting and retaining qualified men and women to serve in the Armed Forces.

4. Program description. The VEA program, an amendment to the present GI Bill, becomes effective 1 January 1977, and expires 31 December 1981. It is a 5-year experiment, funded by the Veterans' Administration. If the President elects to continue the program, it will be funded by the Department of Defense.

5. Enrollment criteria. The Department of the Army actively encourages soldiers to take advantage of this educational assistance. All officers and enlisted personnel are eligible and enrollment

is voluntary. Service members must participate for 12 consecutive months before disenrolling or suspending participation. Personnel may disenroll or suspend enrollment at any time because of personal hardship.

6. Contributions and benefits. a. Participants contribute by monthly deductions of between \$50 and \$75 (in multiples of \$5) with a limited investment of \$2,700.

b. The Veterans' Administration administers the educational funds and matches each \$1 contributed by the participant with \$2.

c. The amount of a monthly payment from the VA is determined by dividing the service member's account balance by the number of months he has paid into the account. The maximum is 36 monthly payments.

d. The Secretary of Defense is authorized to contribute to the funds to encourage persons to enter or remain in the Armed Forces.

e. If disenrolled, an individual's contribution will be refunded.

f. The maximum amount which may be accumulated in the fund of a participant is \$8,100, excluding contributions authorized by the Secretary of Defense to encourage enlistment or retention.

7. Special conditions and provisions. a. Funds may be used by the participant while in the Service, but he must have completed his initial obligated tour. (See exception in 7b.)

b. Only personnel enrolling in the VEA program may take advantage of the VA-funded Predischarge Education Program (PREP) benefits during the last 6 months of their initial obligated tour. (Guidance on establishing an Army-funded high school completion program has been provided separately.)

*This circular supersedes DA Cir 621-14, 6 December 1976.

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c. A participant is automatically disenrolled and his contribution refunded if he is discharged or released from active service under dishonorable conditions.

d. Provisions will be made for refund of the service member's contribution to his beneficiary or beneficiaries if the participant dies.

8. Program implementation. The VEA program will be integrated into the Army's continuing educational system and the existing general educational development and military personnel management structure. The following procedures become effective 1 January 1977.

a. The Commanding General, US Army Recruiting Command (USAREC), will include the VEA in the recruiting advertising program and will conduct an "outreach" program to explain the VEA Act to all prospective enlistees. Members who enlist in the delayed entry program on or prior to 31 December 1976 for entry on active duty after 1 January 1977 are entitled to the "old GI Bill" benefits and may not enroll in the VEA program.

b. During enlistment processing at the Armed Forces Examining and Entrance Station, each applicant will complete (in duplicate) DD Form 2057, Contributory Educational Assistance Program—Statement of Understanding, to indicate understanding of VEA benefits. This form will become part of the enlistment packet forwarded to the gaining reception station by the CG, US Military Enlistment Processing Command.

c. During processing at the reception center (initial active duty station processing for officers and warrant officers), each enlistee will be briefed, preferably by an educational counselor, on the benefits of the VEA plan and will be offered the opportunity to enroll. Part II of the DD Form 2057 will be completed to signify whether the individual elects to participate in the VEA program.

(1) Each service member who elects to participate in the program will complete a DA Form 1341 (JUMPS—Army Allotment Authorization) to initiate an "EDSAV" allotment.

(2) The service member may allot between \$50 and \$75 (in multiples of \$5) monthly to the VA for his VEA account.

d. Within 30 days after arrival of a service member at a permanent duty station, Army educational opportunities and local programs will

be explained to them. This orientation will include an explanation of the VEA program and the procedures for enrollment.

e. Army educational opportunities, local programs, and the VEA program will be explained to all service members annually during their first enlistment or initial obligated tour. The SIDPERS will be modified to provide a suspense roster to the servicing education center 2 months prior to the individual's anniversary month of entry on active duty. The counseling will be scheduled by the servicing educational services officer in coordination with the unit commander.

f. During separation processing the VEA program and its administrative procedures will be explained to all enrollees being separated from active duty.

g. Enrollment in the VEA program will remain in effect for at least 12 months unless terminated or suspended by separation for hardship reasons. After 12 months those enrolled may terminate participation in the VEA program; however, contributions to the VEA account may be refunded only upon application to the VA at the time of separation or reenlistment. If the service member terminates enrollment, he may reenroll at any time by initiating another "EDSAV" allotment. Enrollment may be terminated for hardship reasons at any time upon approval of the officer, or his representative, exercising general court-martial (GCM) jurisdiction. If the participant wishes, his total contribution will be refunded to him by the VA upon receipt of the GCM authority approval. (Guidance on hardship disenrollment is provided in the appendix.)

h. The VA will periodically provide the participant a statement of his account status.

i. Disbursements from the VEA account will be made by the VA direct to the participant. (Details will be published as an appendix to this circular.)

j. Details concerning the DOD/DA contributions to VEA accounts will be published separately as an appendix to this circular. Initially, no DOD or DA contributions will be made.

9. Responsibilities. a. The Adjutant General, DA, has General Staff responsibility for the integration of the VEA program into Army continuing educational opportunities and for establishing procedures for its administration, and will—

TAGO 170A

(1) Incorporate the VEA program into the Army continuing educational system.

(2) Develop a management information system to accumulate data and permit evaluation of the VEA program as a recruiting and reenlistment incentive.

(3) Provide periodic status reports to the DCSPER, the Assistant Secretary of the Army (Manpowers and Reserve Affairs), and the Assistant Secretary of Defense (Manpower and Reserve Affairs).

(4) Provide information to the CG, USAREC, and the Chief of Public Affairs Office, Secretary of the Army, to be used to inform prospective enlistees and newly appointed officers and warrant officers of their entitlements under the VEA program.

(5) Serve as the Army point of contact for resolution of all queries concerning the VEA program and its administration.

(6) Publish information on the VEA Act for use by educational counselors.

b. The Deputy Chief of Staff for Personnel, DA, will develop policies and procedures for the DOD and DA contributions to VEA accounts.

c. The Chief, Public Affairs, OSA, will develop command information programs to inform service members of changes to Title 38, USC and the provisions of the VEA Act.

d. The CG, US Army Military Personnel Center will—

(1) Establish procedures for filing and maintaining one copy of DD Form 2057 as a permanent insertion in the field Military Personnel Records Jacket.

(2) Establish SIDPERS procedures to notify education centers of the names of personnel to receive annual educational counseling during the anniversary month of their entrance on active duty. (The first such roster will be prepared during November 1977 for personnel to be counseled during January 1978.)

(3) In coordination with The Adjutant General, conduct a sample survey of the Army during August 1977, February 1978, and August 1978 to determine attitudes toward the VEA Act as an enlistment and retention incentive.

(4) Provide data to The Adjutant General (ATTN: DAAG-ED), to be used as a basis for evaluating the utility of veterans' educational assistance.

e. The CG, US Army Finance and Accounting Center will—

(1) Establish procedures for filing and maintaining one copy of DD Form 2057 as a permanent insertion in the service member's Personal Financial Record (PFR).

(2) Establish procedures for initiating and discontinuing of "EDSAV" allotments to the VA for VEA accounts.

(3) Provide the VA data and funds required to maintain VEA accounts.

(4) Provide data to The Adjutant General (ATTN: DAAG-ED) for use in evaluating the utility of the VEA.

f. The CG, US Army Recruiting Command and the CG, US Military Enlistment Processing Command will—

(1) Include the VEA Act in the recruiting advertising program.

(2) Establish an "outreach program" to explain the VEA program to all prospective enlistees and encourage their participation upon enlistment.

(3) Emphasize the relationship between the VEA plan, Project AHEAD, and the Army continuing educational system.

(4) During enlistment processing, insure that all enlistees understand the provisions of the VEA Act and that they signify their understanding by completing DD Form 2057, which will become part of the enlistment packet forwarded to the gaining reception center.

(5) Provide data to The Adjutant General (ATTN: DAAG-ED), concerning the utility of the VEA program as an enlistment incentive.

(6) Obtain DCSPER approval on VEA program advertising which is to appear in the national media.

g. The CG, US Army Training and Doctrine Command will—

(1) Insure that the VEA Act is explained to all ROTC cadets before entry on active duty.

(2) Establish procedures to insure that all enlisted personnel entering active duty understand and have the opportunity to participate in the VEA program during reception center processing. Insure that Part II of DD Form 2057 is completed to indicate the service member's election to participate in the VEA program.

h. Major Army commanders will establish procedures to—

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(1) Insure that all officers entering active duty understand and have the opportunity to participate in the VEA plan during initial processing and that they complete Part II of DD Form 2057 to indicate their intent to enroll in the program.

(2) Counsel all service members on Army educational opportunities, local educational programs, and the VEA program within 30 days after arrival at a permanent duty station and annually thereafter during their first enlistment or initial tour of obligated duty.

(3) Explain VEA plan administration to all enrollees during separation processing.

(4) Insure that all service members who volun-

tarily terminate participation in the VEA program are aware of their eligibility for reenrollment and the procedures for disbursement from their VA accounts.

(5) Provide data to The Adjutant General (ATTN: DAAG-ED), no later than 15 working days after the end of the reporting period concerning voluntary terminations from the VEA project, for use in evaluating the utility of the program.

10. Resources. Resources required to incorporate the VEA program into the Army continuing educational and military personnel management structure will be submitted in accordance with existing programing and budgeting procedures.

APPENDIX
GUIDANCE ON HARDSHIP DISENROLLMENT

1. Background. The Veterans' Educational Assistance Act states that personnel participating in the contributory education benefit plan must agree to contribute to the plan monthly for a minimum of twelve consecutive months and that the funds contributed by the participant will not be refunded to the service member until completion of the first obligated term of active duty. Exception to this provision can be made only in instances where personal financial hardship exists. This appendix provides guidance regarding refunds of service member contributions in cases where financial hardship exists due to contribution to VEAP.

2. Approval authority. Requests for suspension or disenrollment from VEAP during the initial twelve months of participation can only be approved by officers having General Courts-Martial (GCM) convening authority or their representatives.

3. Requirement. The service member must document that financial hardship exists and demonstrate that relief from making the contribution to VEAP will alleviate the situation.

4. Procedure for disenrollment. The service member will request by letter to the GCM convening authority approval to disenroll or suspend participation from VEAP because of financial hardship.

a. The request will contain as a minimum, the following information:

(1) A statement that the service member has been counseled regarding loss of education benefits by withdrawing from VEAP (see para 5 below).

(2) One completed copy of DA Form 1341, JUMPS—Army Allotment Authorization stopping the allotment.

(3) Documentation of financial hardship.

(4) Statement indicating whether individual desires refund of contribution or if contribution should be suspended.

[DAAG-EDG]

b. The Commander's forwarding indorsement will contain a recommendation for approval/disapproval of the request.

c. Upon approval, the GCM authority will forward the letter to the servicing Finance and Accounting Officer, who will stop the allotment. If the individual desires a refund, the servicing F&AO will forward the correspondence to Commander, US Army Finance and Accounting Center, ATTN: FINC-P, Fort Benjamin Harrison, IN 46216. A refund check will be mailed to the individual by USAFAC within 30 days of receipt of request.

d. Copies of paid requests for refunds will be forwarded monthly by USAFAC to HQDA, DAAG-ED, WASH DC 20314 to arrive not later than the fifteenth calendar day of the month following payment.

5. Counseling. *a.* Counseling regarding withdrawal from the Veterans' Educational Assistance Program will be accomplished by an education counselor. As a minimum, the counselor will insure that the service member is made aware that:

(1) If money is returned, the participant loses all eligibility for educational benefits earned to date (matching funds are *not* paid).

(2) Contributions need not be withdrawn. The allotment can be suspended (stopped) and re-started at a later date.

(3) The service member is eligible to re-enroll in VEAP at a later time providing the requirement for twelve consecutive months of contributions can be met. (Retroactive enrollment is not permitted.)

b. The counselor will prepare certification for inclosure in the individual's request that the above counseling was performed.

6. Interim procedure. This is an interim procedure and will remain in effect until the Veterans Administration assumes operational administration of this program (approx June 77).

Cir 621-14

By Order of the Secretary of the Army:

BERNARD W. ROGERS
General, United States Army
Chief of Staff

Official:

PAUL T. SMITH
Major General, United States Army
The Adjutant General

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DEPARTMENT OF THE NAVY
Office of the Chief of Naval Operations
Washington, D.C. 20350

Canc: Aug 78

OPNAVNOTE 1760
Ser 991EB/142562
29 August 1977

OPNAV NOTICE 1760

From: Chief of Naval Operations
To: All Ships and Stations (less Marine Corps field addressees not having Navy personnel attached)
Subj: Post-Vietnam Era Veterans Educational Assistance (VEA) Program
Ref: (a) Public Law 94-502 of 15 Oct 1976 (NOTAL)
(b) PAYERSMAN, Part Six, Chapter Seven
(c) NAVPERS 15878 (Career Counseling Manual)
Encl: (1) Contributory Educational Assistance Program Statement of Understanding (DD Form 2057)
(2) Interim Procedures for Determination of Financial Hardship

1. Purpose. To promulgate implementation procedures and information concerning enrollment in, suspension and disenrollment from the VEA program established by reference (a).

2. Background. The VEA program is an education benefit plan available to those service members who contract and enter on active duty after 31 December 1976, and replaces the education assistance program provided for under the G.I. Bill. The VEA program, which became effective 1 January 1977, is authorized to run for five years (until 31 December 1981), with program continuation beyond 1981 subject to prior review and evaluation.

3. Objectives. The objectives of the VEA program are:

a. To provide educational assistance to men and women who enter the Armed Forces after 31 December 1976.

b. To assist young men and women in obtaining an education they might not otherwise be able to afford.

c. To promote and assist the all volunteer program of the United States by attracting qualified men and women to serve in the Armed Forces.

4. Enrollment Criteria. The VEA program is a voluntary, contributory education assistance program. Active duty naval personnel who meet the following criteria may enroll in the VEA program:

a. Initially enter active naval service on or after 1 January 1977.

b. Do not fall within the provisions of the Delayed Entry Program (DEP) wherein enlistment occurred prior to 1 January 1977, but active duty commenced on or after that date. Personnel in this category are eligible for non-contributory G.I. Bill education assistance benefits afforded under the provisions of Chapter 34, Title 38, U.S. Code, provided active duty commences prior to 2 January 1978.

Note: For the purpose of determining eligibility for the VEA program, the terms "active duty" and "active naval service" do not include any period during which an individual: was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians; served as a midshipman at the Naval Academy; or served under the provisions of Title 10, U.S. Code, Section 511(d) as a member of the Naval Reserve.

5. Contributions and Benefits. The following procedures apply:

a. Service members may contribute by allotment between \$50 and \$75 per month (in multiples of \$5) up to a maximum contribution of \$2700.

b. The Veterans Administration (VA) will match the service member's contribution on a \$2 for \$1 basis such that maximum account amount may be \$8100, exclusive of Secretary of Defense contributions authorized by reference (a) and for which specific provisions have not yet been established.

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c. The dollar amount of monthly VA educational assistance payments is determined by dividing the participant's total account balance by the number of months the participant contributed, up to a maximum of 36 months. The VA will make no more than 36 monthly payments to an eligible participant.

d. Benefits accrued by participation in the VEA program may be used in the same education program authorized under the G.I. Bill (Chapter 34, Title 38, U.S. Code), except for apprenticeship and on-the-job training programs. Further information on authorized education programs may be obtained from local VA offices.

6. Benefits Eligibility and Special Conditions/Provisions

a. Eligible Navy veterans may utilize VEA program benefits to fund approved education programs. The term "eligible veteran" is defined as any veteran who:

(1) Initially entered active naval service on or after 1 January 1977 (except as specified in paragraph 4.b. of this notice), was discharged or released therefrom under conditions other than dishonorable, and,

(a) served on active duty for a continuous period of more than 180 days commencing on or after such date; or

(b) was discharged or released from active duty because of a service-connected disability.

(2) While on active duty, enrolled in and contributed to the VEA program on a monthly basis for a minimum of 12 consecutive months (except as specified elsewhere in this notice), and did not subsequently disenroll from the program. (Note: Reenrollment subsequent to disenrollment is possible if a person is still on active duty. See paragraph 8 for procedures governing disenrollment).

b. In-service use of VEA program benefits is possible. The requirement for discharge or release from active duty stated in paragraph 6.a. above is waived for those individuals who have completed their first obligated period of service or six years of active duty, whichever period is less.

c. Only those personnel enrolled in the VEA program are eligible for participation in the PredischARGE Education Program (PREP). Under the VEA program, PREP is available to eligible participants only during the last six months of the first enlistment. Payment of PREP benefits is limited to this six month period only, but the benefits paid will not be charged against the participant's VEA program account.

d. VEA program participants will be automatically disenrolled (and participants' contributions refunded) if discharged or released from active service under dishonorable conditions.

e. If a VEA program participant dies, the amount of such participant's unused contributions to the VEA program fund shall be paid:

(1) to the beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy; or

(2) to the participant's estate if no beneficiary has been designated under such policy or if the participant is not insured under the Servicemen's Group Life Insurance program.

f. Exceptions to the minimum 12 consecutive month contribution period are addressed hereafter under "Suspension" and "Disenrollment" procedures.

7. Enrollment Procedures. All service members eligible for the VEA program may enroll at any time while on active duty by completing enclosure (1), Contributory Educational Assistance Program Statement of Understanding (DD Form 2057). Part I of DD Form 2057 will be completed prior to active duty entry. Part II will be completed at such time as the service member elects to not enroll or to enroll in the VEA program and commence contributions. Completion of Part II of DD Form 2057 for VEA program enrollment election requires specification of the monthly amount to be contributed, date of enrollment election, service member and witnessing official signatures. A copy of the signed DD Form 2057 (Parts I and II) will then be provided to the service member's disbursing officer who will register an "E" allotment in the amount of contribution specified. Allotment processing procedures are set forth in

reference (b). Whether a service member elects to enroll or not, the original signed DD Form 2057 (Parts I and II) will be retained in the member's service record, left side. DD Form 2057 is available through normal supply channels under FSN 0102-LF-002-0570. Special active duty enrollment procedures are as follows:

a. Prior to initial active duty entry:

(1) All entrants to active naval service processed by the Navy Recruiting Command who are eligible for the contributory VEA will be counseled as to their benefits and will execute Part I of the Contributory Educational Assistance Program Statement of Understanding (DD Form 2057) prior to their entry on active duty. The DD Form 2057 will be dated and signed by the entrant. The briefing representative will sign as witnessing official. Entrants will be advised that they may enroll in the VEA program at any time, commencing after reporting to recruit training or their first duty station.

(2) All entrants to active naval service processed for active duty by other than the Navy Recruiting Command who are eligible for the contributory VEA, will be counseled by the command delivering the entrants' orders and will execute Part I of the Contributory Educational Assistance Program Statement of Understanding (DD Form 2057) prior to their entry on active duty. The DD Form 2057 will be dated and signed by the entrant. The briefing representative will sign as witnessing official. Entrants will be advised that they may enroll in the VEA program at any time after reporting to their first duty station.

b. The first opportunity for most eligible enlisted personnel to enroll in the VEA program occurs during recruit training. In order to ensure that all eligible recruits are fully aware of their right to VEA program benefits, they will be briefed concerning VEA program provisions as detailed in this notice and provided the opportunity to enroll and commence contributions as soon as is practicable after commencement of recruit training. The requirement to provide VEA program counseling and enrollment opportunity during recruit training is of significant importance because three-year active duty obligors (Active Manner program) must contribute the maximum \$75/month for each of their

36 active duty months in order to qualify for maximum matching VA funds of \$5400.

c. Upon an enlisted service member's reporting to initial permanent duty station, the member's career counseling reporting interview shall include a check of the DD Form 2057 to ascertain whether the member has elected VEA program enrollment. If the member has not yet elected to participate, the member will be counseled concerning the provisions and benefits of the VEA program, and provided the opportunity to enroll. Service members who have enrolled in the VEA program prior to reporting to initial permanent duty station shall be afforded the opportunity to increase or decrease the amount of contribution (within defined limits) if desired.

d. Although eligible service members may enroll, change amount of contribution, suspend participation or disenroll (within the limits defined elsewhere in this notice) at any time while on active duty, it is necessary that the right to participate and provisions of participation be reviewed with eligible service members during regularly scheduled command career counseling interviews.

e. Officers eligible for VEA program enrollment shall be initially counseled and complete Part I of DD Form 2057 dependent on active service entry point as described in paragraphs 7.a. (1) and 7.a. (2) above. Officers shall be counseled that they may enroll in the VEA program at initial duty station. In order that enrollment opportunity is afforded to eligible officers, it is necessary that officer check-in procedures include a counseling visit with either the Command Career Counselor or Educational Services Officer (ESO). At that time, newly reporting officers shall be counseled as necessary on VEA program provisions and complete Part II of DD Form 2057 electing enrollment or non-enrollment. Follow-on counseling for officers can be achieved by incorporation of regularly scheduled (at least annually) VEA program presentations into command officer training programs. This will serve the additional purpose of providing sufficient information for officers to counsel their VEA program eligible enlisted personnel.

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8. Suspension of Participation/Disenrollment Procedures and Exceptions to the Twelve Month Contributions Rule. In order to attain eligibility to receive matching funds from the VA, a service member must contribute for a minimum of 12 consecutive months while on active duty. The following procedures govern suspension and disenrollment from the VEA program, and exceptions to the 12 month rule:

a. A service member who suspends participation is one who temporarily stops contributing. Resumption of contributions may occur without penalty if otherwise eligible.

(1) A service member may suspend participation for any reason after having contributed for 12 consecutive months by stopping his/her contributory allotment.

(2) A service member may suspend participation without having completed 12 consecutive months of contributions by reason of personal financial hardship. Procedures for financial hardship determination are contained in enclosure (2). When the member's request for hardship suspension is approved, the member's allotment should be stopped in accordance with reference (b).

(3) A service member who suspends participation may resume contributions at a later time while on active duty (i.e. suspension time is not considered a break in period of contributions). If the member does not resume contributions at a later time, the member retains eligibility to receive matching VA funds for contributions made prior to suspension of participation.

b. A service member who disenrolls from the VEA program is one who terminates participation and forfeits any entitlement to benefits other than a refund of any unused portion of the member's personal contributions.

(1) A service member may disenroll for any reason after having contributed for 12 consecutive months. A service member may disenroll for reasons of personal financial hardship without having contributed for 12 consecutive months. Procedures for fi-

nancial hardship determination are contained in enclosure (2).

(2) Disenrollment for either non-hardship or hardship reasons requires that the service member submit for command endorsement a statement indicating desire to disenroll and request for refund of contributions. In the case of non-hardship disenrollment (service member has contributed for 12 or more consecutive months), the member's request need not include the reason(s) for disenrollment request but shall include a statement that the member has been counseled concerning, and understands, the ramifications of disenrollment. Command endorsement in this case need only state that the member's request has been noted. In the case of hardship disenrollment (less than 12 consecutive months of contributions), the member's request shall be processed in accordance with enclosure (2) procedures. For both non-hardship and command-approved hardship disenrollment requests, the command will forward one copy of the endorsed request to the VA as notice of request for refund and one copy to the disbursing office holding the member's pay account to provide stop allotment notification. The original of the member's request will be attached to the member's DD Form 2057 and retained in the member's service record. The member's allotment will be stopped in accordance with reference (b) procedures.

(3) If a VEA program participant disenrolls from the program while on active duty, refund contributions will be made on the date of discharge or release from active duty, or within 60 days of receipt of notice by the VA of the participant's discharge or disenrollment. Refunds may be made earlier when disenrollment was for reason of financial hardships.

(4) VEA program participants who disenroll after discharge or release from active duty will receive a refund of unused contributions within 60 days of receipt by the VA of application for refund.

(5) Only the balance of an individual's personal contributions will be refunded. No payment of interest will be made on refunded contributions.

(6) After having disenrolled from the VEA program, a service member may enroll again at a later date if still on active duty. However, a new 12 month contributory period begins at the time of reenrollment. Additionally, lump sum contributions for the purpose of establishing a retroactive date of enrollment are not authorized.

(7) Command-endorsed disenrollment/refund requests shall be forwarded to the VA at such time as the VA assumes operational control of the VEA program. In the interim, disenrollment/refund requests will be processed by the Navy Finance Center, Cleveland, Ohio, in accordance with reference (b) - procedures. New guidance for the processing of disenrollment/refund requests will be promulgated when the VA assumes operational control of the VEA program.

c. A service member with less than 12 months obligated active service remaining may enroll in the VEA program. In such a case, the VA will match funds for the number of months contributions are made to the point of the service member's discharge or release from active duty. If the service member reenlists, a minimum contribution period requirement of three consecutive months must be met before the service member is eligible to receive matching VA funds for educational use while in service.

d. The extreme case of a service member contributing for one month, suspending for hardship without resumption of contributions, then applying for and receiving PREP benefits (during the last six months of initial enlistment) is possible.

9. Counseling

a. Participation of eligible personnel in the VEA program shall be of recurring concern in each command's career counseling program. Counselors shall utilize the guidance provided by this notice and reference (c) (when revised to reflect VEA program provisions).

b. Command Educational Services Officers (ESO) shall afford VEA program counseling and assistance as necessary.

c. Navy Campus for Achievement (NCF A) education specialists shall be familiar with VEA program provisions, and render counseling and assistance to service members as necessary in the performance of their NCF A primary duties.

d. Counseling efforts shall be facilitated by the guidance provided in this notice. The following points require special attention to ensure the full understanding of the service member being counseled:

(1) Suspension of participation in the VEA program is a preferred course of action when suspension and disenrollment are being considered. Although suspension does not result in a refund of unused personal contributions, the member remains an eligible VEA program participant. Disenrollment, regardless of when refund of unused personal contributions is made, terminates VEA program participation and eligibility for all benefits under the program.

(2) VEA program participants will realize the use of matching (\$2 for \$1) VA funds only at such time as the participant enrolls and maintains participation in an educational program for which use of the participant's VEA program account is authorized.

10. Benefit Utilization Procedures

a. In-service use of VEA program benefits (except PREP) is authorized for eligible participant service members as specified in paragraph 6.b. of this notice. Service members may apply for payment of VEA program benefits through VA counselors at the educational institution being attended or at local VA offices. PREP benefits may be utilized as discussed in paragraph 6.c. of this notice.

b. After discharge or release from active duty, VEA program participants are entitled to benefit payments based on number and amount of contributions made while on active duty. VEA program benefit payments are not authorized for pursuit of apprenticeship or on-the-job training programs, nor are additional monthly sums for dependents authorized.

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c. A ten year delimiting date following date of last discharge or release from active duty is established for veterans to use VEA program benefits, at the end of which time the veteran will be automatically disenrolled and any unused portion of contributions refunded.

11. Additional VEA program details and information may be obtained from local VA offices or from the

Director, Naval Education and Training (OP-099), Washington, D.C., 20350.

12. Form. DD 2057, (1 December 1976), FSN 0102-LF-002-0570, is available from the Naval Publications and Forms Center, 5801 Tabor Avenue, Philadelphia, Pennsylvania 19120.

W. H. HARRIS
Deputy Director
Naval Education & Training

Distribution:
SNDL Parts 1 and 2

CONTRIBUTORY EDUCATIONAL ASSISTANCE PROGRAM
STATEMENT OF UNDERSTANDING

DATA REQUIRED BY THE PRIVACY ACT OF 1974

AUTHORITY: Title 38, U.S. Code, Sections 1621, 1622, and 1623.

PRINCIPAL PURPOSE: To establish eligibility to participate in the Educational Benefits Program of the Post-Vietnam Era Veteran's Educational Assistance Act of 1977 (VEA).

ROUTINE USES: Information will be used as a source document indicating participation status of each service member VEA. Information is routinely forwarded thru Military Personnel and Finance and Accounting channels, and to the Veterans Administration for the purpose of counseling concerning the program, and acquisition of educational benefits.

DISCLOSURE: Disclosure of your social security number and other personal information is voluntary. However, enrollment cannot be processed if requested information is not provided.

PART I - TO BE COMPLETED PRIOR TO ENTRY ON ACTIVE DUTY

1. Prior to my entry on active duty, I was informed that:
 - a. My entry in the Armed Services of the United States on this date makes me eligible to participate in the educational benefits program of the Post-Vietnam Era Veterans' Educational Assistance Act of 1977 (VEA). Under that program, I can voluntarily establish an educational matching fund by making monthly contributions from my military pay. The Veterans' Administration (VA) will provide additional monies to the amount that I contribute, thus creating a fund from which I can receive up to 36 months of educational benefit payments. The number of months of payments I can receive and the amount of these payments is tied to the number of months and the amount of contributions that I made. These payments will generally only be available to me after I have completed my first obligated period of active duty.
 - b. I will be further briefed on the specific provisions of the VEA during my in-processing at the Reception Station or at initial duty station. I can decide whether or not I wish to enroll in the program at that time. Some of the provisions of the VEA, however, are as follows:
 - (1) The VEA establishes a voluntary educational assistance program under which I can contribute between \$50 and \$75 a month from my military pay (to a maximum of \$2700) to an educational fund. The VA will provide matching funds of \$2 for each \$1 that I contribute.
 - (2) I can enroll in the program at any time during my service on active duty.
 - (3) Once enrolled in the program I must participate for at least 12 consecutive months, unless I am discharged or released from active duty or allowed to suspend participation or disenroll due to personal hardship (as determined under regulations issued by the VA and Secretary of Defense).
 - (4) I will be automatically disenrolled from the program if I am discharged or released from active duty under dishonorable conditions or if I do not use the benefits within 10 years after my discharge or release from active duty.
 - (5) If before completing 12 continuous months of participation, I disenroll from the program for any reason other than for reasons of personal hardship, only the amount of money that I have contributed to the fund will be returned to me. The refund will normally be paid only after my discharge or release from active duty, although refunds may be made earlier in certain instances of hardship or other good reason.
 - (6) Provisions will be made at the time of my enrollment to provide for the refund of monies that I have contributed to the fund to my beneficiary or beneficiaries in the event of my death while participating in the program.
2. I have also been informed that I am not eligible for the noncontributing educational benefits provided by the GI Bill that terminated on 31 December 1976. Regardless of what else I may have seen or read in any source or have been told by any person, I understand that no one who enters on active duty or the Delayed Entry Program after 31 December 1976 is eligible for the noncontributing educational funds that were available to service members who enlisted before that date.

NAME AND GRADE OF WITNESSING OFFICIAL	NAME OF APPLICANT	SOCIAL SECURITY NUMBER
SIGNATURE OF WITNESSING OFFICIAL	SIGNATURE OF APPLICANT	DATE

DD FORM 2057 (FSN 0102-LF-002-0570)

Enclosure (1)

OPNAVNOTE 1760
29 AUG 1977

PART II - TO BE COMPLETED DURING RECEPTION STATION PROCESSING OR AT FIRST DUTY STATION

During in-processing at _____ (location of reception station)
I was informed of the provisions of the VEA. It is my decision to:

1. Voluntarily participate in the VEA program by contributing from my military pay a sum of \$ _____ per month for a minimum of 12 consecutive months. I understand I can change the amount of my contribution, provided the contribution is at least \$50 but not greater than \$75 per month. I am aware of the provisions of Part I, Paragraph 1b(3), above.
2. Not participate in the VEA program at this time. I understand I can enroll in the program at any time during my service on active duty.

REMARKS:

SIGNATURE OF SERVICE MEMBER		DATE
NAME AND GRADE OF WITNESSING OFFICIAL	SIGNATURE OF WITNESSING OFFICIAL	DATE

U.S. GOVERNMENT PRINTING OFFICE: 1977-703 069 3211 2 1

OPNAVNOTE 1760
29 AUG 1977DETERMINATION OF PERSONAL FINANCIAL HARDSHIP PURSUANT TO
SUSPENSION OF PARTICIPATION OR DISENROLLMENT FROM THE
VETERANS EDUCATIONAL ASSISTANCE (VEA) PROGRAMBACKGROUND

The VEA Program requires that personnel participating in the program must agree to contribute to the program fund monthly for a minimum of twelve consecutive months. Exception to this requirement may be made in instances where personal financial hardship exists.

PROCEDURES

1. A service member who desires to suspend participation or disenroll from the VEA program for reason of personal financial hardship shall submit to his/her commanding officer or officer-in-charge via the chain-of-command a written request for suspension or disenrollment approval. The request shall contain the following information:

(a) A statement that the service member has been counseled regarding loss of education benefits as the result of disenrollment from the VEA program.

(b) A statement of the specific nature of the financial hardship situation which makes necessary the request for suspension of participation or disenrollment. Applicable documentation of financial hardship shall be attached to the request.

(c) A statement indicating whether suspension of participation or disenrollment (and refund of contributions) is desired.

2. Upon receipt of the service member's request, the commanding officer or officer-in-charge shall approve or disapprove the request on the basis of whether the service member has substantiated financial hardship such that VEA program suspension of participation or disenrollment is warranted to relieve the hardship. Approval or disapproval shall be indicated by appropriate endorsement to the service member's request.

3. A copy of the service member's request with approval endorsement shall be provided to the service member's

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Enclosure (2)

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disbursing officer as authority to stop the service member's VEA program contributory allotment. Disbursing officers shall take the appropriate action to stop the member's allotment in accordance with PAYPERSMAN procedures. The original of the service member's request with command endorsement (whether approval or disapproval) shall be attached to the service member's DD Form 2057 and retained on the left side of the member's service record.

4. In the case of suspension for hardship, no further action is necessary. The service member may resume contribution at a later date while still on active duty by restarting the contributory allotment or make no further contributions and still retain eligibility for matching VA funds. In the case of disenrollment for hardship, disenrollment notice and request for refund shall be provided to the VA as discussed in paragraph 8.b. of the basic notice. A service member who disenrolls for hardship may subsequently reenroll in the VEA program while still on active duty.

5. In cases of hardship suspension/disenrollment requests where service members do not demonstrate that hardship actually exists and the request is disapproved, it is only necessary that the member's request, with disapproval endorsement, be filed for informational purposes with DD Form 2057 in the member's service record.

COUNSELING

To ensure that service members are fully aware of the ramifications of disenrollment from the VEA program, they should be counseled as follows prior to requesting disenrollment:

1. That refund of contributions result in loss of all eligibility for matching VA funds earned to date.
2. That only contributions made by the service member will be refunded and no interest will be paid on contributions.
3. That the service member may reenroll in the VEA program at a later date while still on active duty if basic enrollment eligibility criteria are met.
4. That reenrollment at a later date will not permit any lump-sum payment to effect back-dating the date of enrollment.

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5. That unless the financial hardship incurred absolutely necessitates refund of contributions, the service member should suspend participation rather than disenroll.

NOTE: The counselor shall attach a statement that the above counseling was performed to the service member's request for suspension of participation or disenrollment.



DEPARTMENT OF THE NAVY
 HEADQUARTERS UNITED STATES MARINE CORPS
 WASHINGTON D C 20380

MCO 1560.28
 OTTE-10-cl5
 20 May 1977

MARINE CORPS ORDER 1560.28

From: Commandant of the Marine Corps
 To: Distribution List

Subj: Veterans Administration Educational Assistance

Ref: (a) MCO 1560.25
 (b) 38 U.S.C. (NOTAL)
 (c) VA Pamphlet 20-67-1 (NOTAL)

Encl: (1) Sample Copy of Contributory Educational Assistance Program, DD Form 2057 (12-76)
 (2) Procedures for Hardship Suspension or Disenrollment from the Veterans Educational Assistance Program (VEAP)

1. Purpose. To promulgate policies and procedures governing Veterans Administration (VA) educational assistance available to eligible Marine Corps personnel.

2. Cancellation. Chapter 3, part II, and chapter 6 of MCO PI560.16B.

3. Background

a. Personnel who are eligible for inservice VA educational benefits may elect to use those benefits to participate in the Marine Corps Voluntary Education Program as set forth in reference (a).

b. Chapter 34 of reference (b) provides for VA educational assistance to eligible military personnel. The educational benefits under chapter 34 are referred to as the G. I. Bill.

c. The Post-Vietnam Era Veterans' Educational Assistance Act of 1977 (chapter 32 of reference (b)) established a new VA contributory educational assistance program. Personnel who initially enter the military services after 31 December 1976 have the right to participate in the contributory plan

PCN 102 019912 00

MCO 1560.28
20 May 1977

whereby the VA will match the servicemember's contributions to an educational fund on a 2-for-1 basis. The contributory program is referred to as the Veterans Educational Assistance Program (VEAP).

4. Policy

a. The senior commander or the designated representative at each Marine Corps activity or installation is responsible for initiating and maintaining effective liaison with the nearest VA office or center.

b. Each education officer will obtain from the nearest VA activity and maintain on hand current editions of the following: APPLICATION FOR PROGRAM OF EDUCATION OR TRAINING FOR AN INDIVIDUAL ON ACTIVE DUTY (VA Form 22-1990a), reference (c), and other VA informational materials and circulars relating to VA educational assistance benefits.

c. The education officer will perform the following functions for personnel eligible for G. I. Bill benefits:

(1) Ensure that eligible personnel are aware of the availability of the G. I. Bill, the current requirements for enrollments and payment of allowances, and the termination date for all G. I. Bill benefits.

(2) Counsel and advise prospective applicants on the importance of careful selection of a program in order to make the best use of available benefits in view of the VA restrictions on changes in programs.

(3) Counsel and advise prospective enrollees in correspondence courses of the VA requirements for course enrollment and the VA method of payment. Ensure that each prospective enrollee understands the personal financial obligations incurred under contracts with commercial correspondence schools.

(4) Provide guidance and assistance to individuals applying for G. I. Bill benefits and certify in part II of the application (VA Form 22-1990a) that the applicant has consulted with the education officer regarding a proposed program.

(5) Refer to the nearest VA office or center those individuals who request VA vocational or educational counseling.

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d. The education officer will perform the following functions for personnel eligible for the Veterans Educational Assistance Program (VEAP):

(1) Ensure that personnel understand the provisions of the VEAP with regard to voluntary contributions, matching funds, use of benefits, suspension of contributions, disenrollments, and refunds of contributions from the VA.

(2) Provide guidance and assistance to individuals electing to participate in the VEAP subsequent to an earlier election not to participate.

(3) Counsel each VEAP participant who requests suspension or disenrollment on the basis of personal hardship.

(4) Counsel each VEAP participant on the status of contributions upon separation from active service.

(5) Counsel each VEAP participant as to the procedural method of obtaining a refund of contributions from the VA.

5. The G. I. Bill

a. Eligibility for the G. I. Bill requires a prescribed period of active duty that does not end in a dishonorable discharge or release. Eligibility is limited to the following three categories of personnel:

(1) Those who served on active duty after 31 January 1955 and whose entry on active duty occurred prior to 1 January 1977.

(2) Those who enlisted in the Delayed Entry Program prior to 1 January 1977 and commenced the period of active service during calendar year 1977.

(3) Those who meet all of the following requirements: Contracted with the Armed Forces before 1 January 1977, enlisted in or were assigned to a Reserve component before 1 January 1977, began active duty during 1977, and completed at least 181 days of continuous active duty service.

b. Active duty personnel who are eligible for G. I. Bill benefits may commence use of benefits upon completion of at least 181 consecutive days of active service.

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c. Entitlements are earned at the rate of 1 1/2 months of full-time benefits for each month of active duty served up to a maximum of 45 months.

d. The G. I. Bill will be terminated on 31 December 1989. All benefits must be used by that date.

e. Applications from eligible military personnel are made on VA Form 22-1990a. Each applicant is required to consult the education officer concerning a proposed program of study. Certification to the fact will be made in part II of the application only by the command education officer. Other signatures are not authorized. Part III of the application will be completed by the commanding officer or designee verifying the applicant's military service. Applications for correspondence study also require a Certificate of Affirmation of Enrollment Agreement.

f. Applicants are required to state their final educational, professional, or vocational goals. These goals should be stated at the highest level which the applicants desire to achieve. The statement of the goal is important because the law provides that the goal can only be changed once unless the individual receives VA counseling.

g. VA allowances for resident courses are based on the current established rates for inservice personnel. (Note that active duty personnel are not entitled to allowances for dependents.) The total allowance paid for correspondence courses is 90 percent of the cost of the course. However, the allowance is paid quarterly in arrears, based on the number of lessons completed and serviced by the school during the prior quarter. The VA pays only for lessons completed.

h. The rate at which entitlement is used is determined by the type of enrollment. An individual pursuing a full-time program of education will use 1 month of entitlement for each month in school. An individual in a half-time program will use his/her entitlement only half as quickly as the full-time student. For correspondence students, entitlements will be reduced at the rate of 1 month for each sum paid equal to the current VA monthly benefit rate.

6. Veterans Educational Assistance Program (VEAP). The VEAP is a voluntary contributory matching program of educational assistance for military personnel who are not eligible for G. I. Bill benefits.

a. Persons initially entering military service after 31 December 1976 have the right to enroll in the VEAP at any time during their service on active duty and to become participants by making contributions to the program.

b. Military personnel electing to participate in the program will authorize a monthly deduction from their pay. A participant's monthly deductions may be no less than \$50 and no more than \$75. Increments must be in the amount of \$5. Contributions by each participant are limited to a maximum of \$2,700. Each contribution will entitle the participant to matching funds from the VA at the rate of \$2 for each \$1 contributed by the participant.

c. Personnel electing to participate in the VEAP are required to maintain participation for at least 12 consecutive months before suspending participation or disenrolling, unless the action taken is based on personal hardship.

(1) A suspended participant is one who stops contributing to the fund (temporarily or permanently). Such person can resume contributions without penalty or can use the benefits accrued, if otherwise eligible.

(2) A disenrolled participant is one who terminates participation and forfeits any entitlements to benefits except for a refund of the individual's contributions previously made.

d. Participants in the VEAP become eligible to use entitlements upon meeting one of the following requirements:

(1) Completed the first obligated period of active duty (which began after 31 December 1976) or 6 years of active duty, whichever period is less.

(2) Were discharged or released from active duty for a service-connected disability.

(3) Served on active duty for a period of more than 180 consecutive days commencing on or after 1 January 1977 and were discharged or released therefrom under conditions other than dishonorable.

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e. Benefits are payable only for periods of time during which an eligible person is enrolled in and is satisfactorily pursuing a VA-approved program of education exclusive of apprenticeship or on-the-job training programs. Benefits are paid on the basis of the number of months the participant contributed to the program with a maximum of 36 monthly benefit payments or the equivalent in part-time training.

f. The monthly dollar amount of payment under the VEAP available for full-time training will be determined by the following computations:

(1) Add all contributions made to the fund by the participant.

(2) Multiply the sum of the participant's contributions by the factor 3.

(3) Add any contributions made to the fund by the Secretary of Defense on behalf of the participant to the amount obtained in paragraph 6f(2) above.

(4) Divide the amount obtained in paragraph 6f(3) above by 36 or the number of months the individual participated, whichever is less. The monthly benefit amount for less than full-time training will be obtained by multiplying the monthly amount by the appropriate fraction for three-quarters, one-half or one-quarter-time training.

g. Any enlisted member who participates in the VEAP is also eligible to participate in and receive benefits for the Predischarge Education Program (PREP) during the last 6 months of such member's first enlistment. No charge against the VEAP entitlement will be made. The rates payable under PREP will be the cost of the course or the current monthly VA rate, whichever is less, for full-time training.

h. No educational assistance benefits shall be afforded an otherwise eligible veteran under the VEAP beyond 10 years after the date of the last discharge or release from active duty.

7. Enrollment in the VEAP. Enrollments in the VEAP will be made on DD Form 2057. A sample copy is provided as enclosure (1). DD Form 2057 consists of two parts which are completed as follows:

a. Part I provides a statement of understanding of the provisions of VEAP as well as a statement regarding ineligibility for the G. I. Bill. Part I, to be completed

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prior to entry on active duty, will be executed at the Armed Forces Examination and Entrance Stations (AFEES) and included in the servicemember's record.

b. Part II will normally be completed at the recruit depot following a briefing on the provisions of the VEAP with regard to participation requirements, use of benefits, and refunds of the member's contributions. Part II may also be completed at the first duty station. Procedures for completing part II are as follows:

(1) Insert the following certification in the remarks section of part II in order to verify the individual's eligibility to participate in the VEAP. (Note that the initial enlistment date must be after 31 December 1976.)

" _____ , _____ ,
(Member's full name) (Social Security Number)
is eligible to participate in the VEAP based on an initial
enlistment date in the Armed Forces of _____ ."
(day, month, year)

(2) Personnel electing to participate in the VEAP will so indicate in paragraph 1 of part II and specify the amount to be contributed from military pay. The monthly amount cannot be less than \$50 or greater than \$75. Any contribution between \$50 and \$75 must be in \$5 increments. The original of the completed DD Form 2057 and a completed Allotment/Bond Authorization (NAVMC 10685) (ABA) will be provided to the disbursing officer. The ABA must be signed by the member. Use of the ABA is an interim measure pending establishment of an automated system. A copy of the original DD Form 2057 will be maintained in the service record.

(3) The original completed DD Form 2057 for members not electing to participate under the provisions of paragraph 2 of the form will be maintained in the service record.

c. Personnel who desire to become participants in the VEAP subsequent to an initial election not to participate will be counseled on the program and afforded the opportunity to do so. Procedures to effect such enrollments are as follows:

(1) Enter the following notation in the remarks section of the original DD Form 2057:

"I desire to change the election which I made in paragraph 2 above on _____ . It is my decision to

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voluntarily participate in the VEAP program by contributing from my military pay a sum of \$ ___ per month for a minimum of 12 consecutive months. I understand I can change the amount of my contribution, provided the contribution is at least \$50 but not greater than \$75 per month. I am aware of the provisions of part I, paragraph 1b(3).

Signature	Date	"
Signature of Witnessing Official		

(2) The amended original plus a signed ABA will be provided to the disbursing officer.

(3) A copy of the amended original will be made and maintained in the service record.

d. DD Form 2057 will be available in the Navy Supply System, COG I.

7. Suspension or Disenrollment from the VEAP

a. Reference (b) requires that servicemembers who elect to participate in the VEAP must participate for at least 12 consecutive months unless the member suspends participation or disenrolls on the basis of personal hardship.

b. A servicemember who suspends participation based on hardship or who is discharged or released from active duty retains the right to entitlement earned through the last month of participation.

c. A participant who disenrolls based on hardship forfeits entitlement to benefits and becomes entitled only to a refund of his/her contributions to the fund.

d. A servicemember may be permitted to suspend participation or disenroll from the program at the end of any 12-month consecutive period of participation without proof of hardship. Suspension in this instance allows resumption of participation under VA specified terms and conditions or use of accumulated entitlement, when eligible. Disenrollment in this instance provides for forfeiture of entitlement, allows reenrollment under VA specified terms and conditions, and provides for a refund of only the participant's contributions made prior to disenrollment.

e. When the discharge or release from active duty of a participant is under dishonorable conditions, the participant

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is automatically disenrolled. Any contributions made to the fund by the participant will be refunded on the date of discharge or release from active duty or within 60 days of receipt of notice by the VA of such discharge or release, whichever is later.

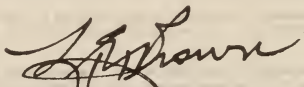
f. If the eligible person has not used any, or only a part of the entitlement by the end of the 10-year delimiting date, the participant is automatically disenrolled. The participant will be notified of any amount remaining in the fund. Such amount will be refunded by making application to the VA.

g. Upon the death of a participant while on active duty or after discharge or release from active duty, any remaining unused amounts of the participant's contributions will be refunded to the participant's beneficiaries.

h. In all instances of disenrollment, only the participant's contributions or the unused portion thereof will be refunded.

8. Procedures for effecting hardship suspension or disenrollment during the initial enrollment period are provided in enclosure (2).

9. Reserve Applicability. This Order is not applicable to the Marine Corps Reserve.



L. E. BROWN
Chief of Staff

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CONTRIBUTORY EDUCATIONAL ASSISTANCE PROGRAM
STATEMENT OF UNDERSTANDING

DATA REQUIRED BY THE PRIVACY ACT OF 1974

AUTHORITY	Title 38, U.S. Code, Sections 1621, 1622, and 1623
PRINCIPAL PURPOSE	To establish eligibility to participate in the Educational Benefits Program of the Post-Vietnam Era Veterans' Educational Assistance Act of 1977 (VEA).
ROUTINE USES	Information will be used as a source document indicating participation status of each service member VEA. Information is routinely forwarded thru Military Personnel and Finance and Accounting channels, and to the Veterans Administration for the purpose of counseling concerning the program, and acquisition of educational benefits.
DISCLOSURE	Disclosure of your social security number and other personal information is voluntary. However, enrollment cannot be processed if requested information is not provided.

PART I - TO BE COMPLETED PRIOR TO ENTRY ON ACTIVE DUTY

1. Prior to my entry on active duty, I was informed that

a. My entry in the Armed Services of the United States on this date makes me eligible to participate in the educational benefits program of the Post-Vietnam Era Veterans' Educational Assistance Act of 1977 (VEA). Under that program, I can voluntarily establish an educational matching fund by making monthly contributions from my military pay. The Veterans' Administration (VA) will provide additional monies to the amount that I contribute, thus creating a fund from which I can receive up to 36 months of educational benefit payments. The number of months of payments I can receive and the amount of these payments is tied to the number of months and the amount of contributions that I made. These payments will generally only be available to me after I have completed my first obligated period of active duty.

b. I will be further briefed on the specific provisions of the VEA during my in-processing at the Reception Station or at initial duty station. I can decide whether or not I wish to enroll in the program at that time. Some of the provisions of the VEA, however, are as follows:

(1) The VEA establishes a voluntary educational assistance program under which I can contribute between \$50 and \$75 a month from my military pay (to a maximum of \$2700) to an educational fund. The VA will provide matching funds of \$2 for each \$1 that I contribute.

(2) I can enroll in the program at any time during my service on active duty.

(3) Once enrolled in the program I must participate for at least 12 consecutive months, unless I am discharged or released from active duty or allowed to suspend participation or disenroll due to personal hardship (as determined under regulations issued by the VA and Secretary of Defense).

(4) I will be automatically disenrolled from the program if I am discharged or released from active duty under dishonorable conditions or if I do not use the benefits within 10 years after my discharge or release from active duty.

(5) If before completing 12 continuous months of participation, I disenroll from the program for any reason other than for reasons of personal hardship, only the amount of money that I have contributed to the fund will be returned to me. The refund will normally be paid only after my discharge or release from active duty, although refunds may be made earlier in certain instances of hardship or other good reason.

(6) Provisions will be made at the time of my enrollment to provide for the refund of monies that I have contributed to the fund to my beneficiary or beneficiaries in the event of my death while participating in the program.

2. I have also been informed that I am not eligible for the noncontributing educational benefits provided by the GI Bill that terminated on 31 December 1976. Regardless of what else I may have seen or read in any source or have been told by any person, I understand that no one who enters on active duty or the Delayed Entry Program after 31 December 1976 is eligible for the noncontributing educational funds that were available to service members who enlisted before that date.

NAME AND GRADE OF WITNESSING OFFICIAL	NAME OF APPLICANT	SOCIAL SECURITY NUMBER
SIGNATURE OF WITNESSING OFFICIAL	SIGNATURE OF APPLICANT	DATE

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PART II. TO BE COMPLETED DURING RECEPTION STATION PROCESSING OR AT FIRST DUTY STATION

During in-processing at _____ (location of reception station)
 I was informed of the provisions of the VEA. It is my decision to:

1. Voluntarily participate in the VEA program by contributing from my military pay a sum of \$ _____ per month for a minimum of 12 consecutive months. I understand I can change the amount of my contribution, provided the contribution is at least \$50 but not greater than \$75 per month. I am aware of the provisions of Part I, Paragraph 1b(3), above.
2. Not participate in the VEA program at this time. I understand I can enroll in the program at any time during my service on active duty.

REMARKS:

SIGNATURE OF SERVICE MEMBER

DATE

NAME AND GRADE OF WITNESSING OFFICIAL

SIGNATURE OF WITNESSING OFFICIAL

DATE

ENCLOSURE (1)

2

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PROCEDURES FOR HARDSHIP SUSPENSION OR DISENROLLMENT
FROM THE VETERANS EDUCATIONAL ASSISTANCE PROGRAM (VEAP)

1. Under the provisions of 38 U. S. C., personnel participating in the VEAP must agree to contribute to the plan monthly for a minimum of 12 consecutive months. Funds contributed by the participant will not be refunded to the servicemember until completion of the first obligated term of active duty except in instances where personal hardship exists due to contribution to the VEAP.
2. The procedure for effecting suspensions and disenrollments based on personal hardship during the initial 12 months of enrollment is provided below. (This is an interim procedure and will remain in effect until the VA assumes operational administration of VEAP.) Requests for suspension or disenrollment from the VEAP during the initial 12 months of participation can only be approved by officers having general courts-martial (GCM) convening authority or by such officers' designated representatives.
3. The servicemember must document that financial hardship exists and demonstrate that relief from making the contribution to VEAP will alleviate the situation.
4. The servicemember will request, by letter to the GCM convening authority, approval to disenroll or suspend participation from VEAP because of financial hardship. The request will contain as a minimum the following information:
 - a. A statement that the servicemember has been counseled regarding loss of education benefits by disenrolling from VEAP.
 - b. One signed copy of a completed Allotment/Bond Authorization (NAVMC 10685) (ABA) authorizing stopping of the allotment.
 - c. Documentation of the financial hardship.
 - d. A statement indicating whether the individual desires a refund of contributions or a suspension of contributions.
5. The commanding officer's endorsement will contain a recommendation for approval/disapproval of the request.

ENCLOSURE (2)

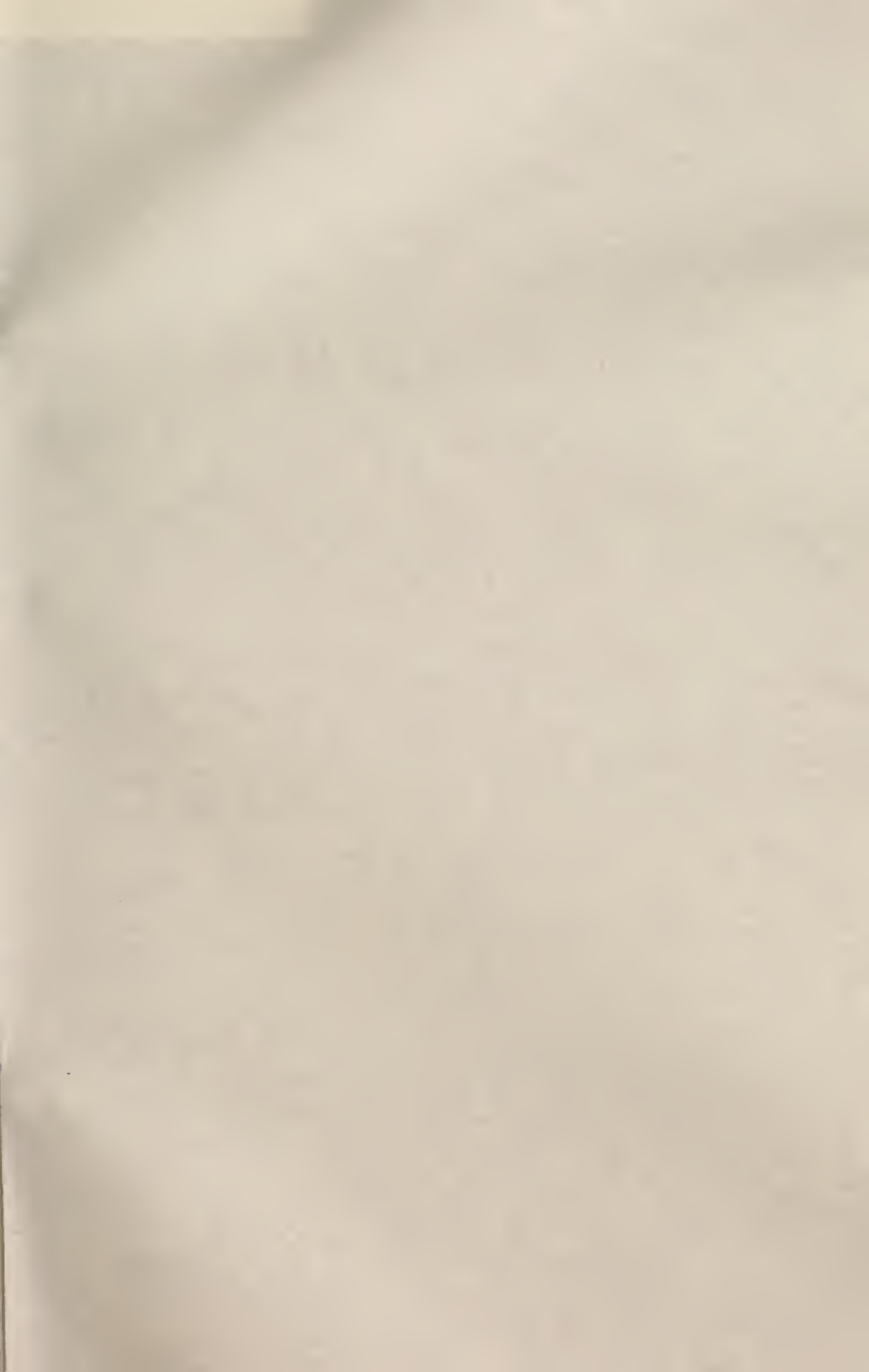
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6. Upon approval, the GCM convening authority will forward the letter and the ABA to the servicing disbursing officer who will stop the allotment.
7. If the individual requests a refund of contributions, the servicing disbursing officer will forward the correspondence to the Marine Corps Finance Center. A refund check will be mailed within 30 days of receipt of the request.
8. Counseling regarding withdrawal from the VEAP will be accomplished by the education officer. As a minimum, the counselor will ensure that the servicemember is made aware that:
 - a. If the individual's contributions are returned, the participant loses all eligibility for educational benefits earned to date. Matching funds are not paid.
 - b. Contributions need not be withdrawn. The allotment can be suspended and commenced at a later date.
 - c. The servicemember is eligible to reenroll in the VEAP at a later time providing the requirement for 12 consecutive months of contributions can be met in the reenrollment. Retroactive enrollment is not permitted.
9. The education officer will prepare a certification for enclosure in the individual's request that the above indicated counseling was performed.
10. A copy of all correspondence relating to suspension/disenrollment will be maintained in the service record along with the copy of the initial enrollment (DD Form 2057).

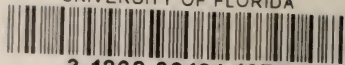
ENCLOSURE (2)







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